

484. Also, petition of the International Union, United Automobile Workers of America, Detroit, Mich., petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Appropriations.

485. Also, petition of the International Union, United Automobile Workers of America, Detroit, Mich., petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Labor.

486. Also, petition of the Missouri State Society, Sons of the American Revolution, St. Louis, Mo., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

487. Also, petition of Al Kojetinsky, of St. Louis, Mo., petitioning consideration of their resolution with reference to rehabilitation project in southeast Missouri; to the Committee on Appropriations.

488. Also, petition of the Holy Name Society of St. Anthony Parish, Milwaukee, Wis., petitioning consideration of their petition with reference to neutrality; to the Committee on Foreign Affairs.

489. Also, petition of National Lawyers Guild, New York, petitioning consideration of their resolution dated January 18, 1939, with reference to Dies committee; to the Committee on Rules.

490. Also, petition of the Mining and Metallurgical Society of America, New York, petitioning consideration of their bulletin No. 248, dated January 1939, with reference to taxation; to the Committee on Ways and Means.

SENATE

TUESDAY, JANUARY 24, 1939

(Legislative day of Tuesday, January 17, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, January 23, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, in which it requested the concurrence of the Senate.

THE LATE SENATOR EDWARD P. COSTIGAN

Mr. ADAMS. Mr. President, before the Senate begins the consideration of the relief joint resolution, I desire to make a brief statement on a matter which is rather close to me.

My friend and former colleague, ex-Senator Edward P. Costigan, of Colorado, passed away at his home in Denver on Tuesday, January 17, 1939.

Senator Costigan served in the United States Senate from March 4, 1931, until ill health forced his retirement from active duties in March 1936. The record of his life and his achievements is written large in the history of his State and the Nation, so that no recital of them is necessary; but I do wish to express a few words of personal appreciation of his character and services and my regret at his passing.

Senator Costigan was one of the most courteous, considerate, and best-liked Senators who ever sat in this body. He was a gentleman in the best and truest meaning of the term. He was gifted with an unusually fine mind, which had been cultivated and developed by a lifetime of study and thought.

He devoted the major efforts of his life to the advocacy and support of measures for the promotion of the public welfare. He always held close to his heart the interests of the less fortunate and the underprivileged. He never hesitated or faltered in his course because of fear of consequences.

The illness and death of Senator Costigan was a severe loss to his friends, his State, and his country. He will be remembered and mourned by an army of devoted friends and admirers throughout the land.

I submit as a part of my remarks an editorial from the Washington News very appropriately but briefly commenting upon the life and public services of Senator Costigan. I ask to have it printed in the RECORD at this point.

THE VICE PRESIDENT. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

COSTIGAN OF COLORADO

Edward P. Costigan literally wore himself out in the service of the American people. His whole career was a battle for the general welfare, fought with those finest of weapons—intelligence and courage.

There was nothing of the opportunist in him. He supported causes because he believed them to be right, even when he knew them to be unpopular.

As a lawyer he defended the coal-mine strikers of Ludlow when that meant the enmity of the most powerful influences in Colorado. He followed Theodore Roosevelt into the Progressive Party and labored against hopeless odds to keep that party alive after the defeat of 1912. He enlisted to promote Woodrow Wilson's tariff ideals and remained a minority member of the Tariff Commission through the Harding-Coolidge administrations to resist the sabotage of those ideals. He was elected to the Senate 2 years before the New Deal, but the liberal policies which he supported and in large measure inspired represented the convictions of a lifetime.

We felt it as a great tragedy when Senator Costigan's health broke under the strain of ceaseless, selfless work and he found it impossible to be a candidate for reelection in 1936. He was not one who could be content in idleness. Years of inaction when there was so much needing to be done, so many disadvantaged people needing help, could have brought him little but unhappiness. We think of his death as a merciful release to rest well earned by one of the most gallant men we have known in public life.

Mr. NORRIS. Mr. President, the Senator from Colorado has asked that a newspaper clipping be printed as a part of his remarks. Does it include the poem which was read at Senator Costigan's funeral?

Mr. ADAMS. It does not.

Mr. NORRIS. Will the Senator permit me to have the poem inserted in the RECORD following his remarks?

Mr. ADAMS. It will be a pleasure to me if the Senator from Nebraska will do it now. I have concluded what I had to say.

Mr. NORRIS. I ask unanimous consent to insert in the RECORD at this point a clipping from the Rocky Mountain News, which includes a poem on life in general written by Senator Costigan himself and read at his funeral. I received the poem from the ex-Governor of Colorado, Hon. William E. Sweet.

THE PRESIDENT pro tempore. Without objection, it is so ordered.

The article and poem are as follows:

[From the Rocky Mountain News of January 20, 1939]

COSTIGAN'S OWN POEM ON LIFE READ AT FUNERAL—VERSES WRITTEN JUST BEFORE DEATH COMMEND "BOLD EXISTENCE"

A poem written a few months ago by former Senator Edward P. Costigan as symbolic of his life was read at his funeral yesterday by the Very Rev. Paul Roberts, dean of St. John's Cathedral.

Political and personal friends, many of whom could not get into the crowded Costigan home at 1642 Detroit Street, where the services were held, stood in silence while the dean recited A Lightning-Shattered Pine. The poem read:

Let aspen crowds salaam the storm;
I was the pine, my monarch form,
Crag spurning, backward frowned the cloud,
Till lightnings wrapped me in their shroud.
Rich is their need who own no fears,
Upon the mountain top of years.
I lie; my monster limbs divide
And, blasted, waste, but save their pride.
My downfall is old prophecy
For which no fellow mourning be,

And unto all who dare so high
 "So live," I say, "so living die."
 My parents saw my footsteps stray—
 And cried to me that early day,
 "Child, where the sky and cliff depart
 The lightnings yet will steal your heart."
 I heard them but laughed down their dread,
 The music pulsed, the menace fled
 And ever since my dreams apart
 Were lightnings that should steal my heart.
 And many aeons have I danced
 When the red steeds have by me glanced,
 And many aeons thrilled to hear
 The agonizing hills in fear!
 Then thousand tempests have implored
 To run me on their gleaming sword,
 A million thunder peals have caught
 And messaged back their anthem thought.
 Till now I am indeed a part
 Of lightnings that have claimed my heart,
 As you may be who with me share
 The climbing steep and soul to dare.
 The brush that weeps around my trunk
 Thinks in decay my being sunk,
 Thinks me withdrawn as they withdrew
 The parent forests e'er I grew.
 Of simple mind! My stolen heart
 Of lightnings now the deathless part
 May flush the winds and torch the cloud
 And wrap my equals in its shroud.
 So, while my trunk shall pass away
 To pitchy black or ashen gray,
 Flame charioted, I, heart of pine,
 Will search the earth for hearts like mine.

Although Senator Costigan's wife, Mrs. Mabel Costigan, had requested that flowers be omitted, many out-of-town friends sent bouquets and sprays.

LEGISLATORS PRESENT

The services followed the regular Episcopalian ceremony. There was no music. Dean Roberts read Alfred Tennyson's *Crossing the Bar*, a favorite poem of the former Senator.

A recess voted by the thirty-second general assembly resulted in the attendance of many legislators at the funeral. Mrs. Costigan was presented with copies of resolutions voted by both the senate and the house in connection with the death of her husband.

Mine workers and other representatives of labor movements championed by Senator Costigan attended in large numbers. There was a delegation of workers and officials of the fuel company for which the Senator was general counsel. Mail carriers in uniform attended the services.

GRAVE SERVICES SIMPLE

A long procession of cars slowly made its way to Fairmount Cemetery where the body of Senator Costigan was placed in a grave.

At the cemetery, as at the home, the service was one of quiet simplicity. There were no addresses. Dean Roberts gave a short prayer as the body was lowered into the grave.

MR. JUSTICE FRANKFURTER'S CREED

Mr. NORRIS. Mr. President, as the Senate met this morning following a recess, and therefore the proceedings were not opened with prayer, in lieu of the prayer which would otherwise have been offered, I wish to read to the Senate a short editorial, written by James E. Lawrence, editor of the Lincoln (Nebr.) Daily Star. The title is "Frankfurter's Creed," and the editorial reads as follows:

FRANKFURTER'S CREED

"Civil liberties mean liberties for those we like and those we don't like or even detest."—From the testimony given by newly appointed Supreme Court Justice Felix Frankfurter in testifying before a committee of the United States Senate inquiring into his qualifications to serve as a member of the highest American Court of justice.

In those words may be found the solid foundation of human liberty, the arch stone of democratic ideals, and the simple, practical formula of Christian citizenship, and Christian government.

What would its general acceptance mean to a world of men, women, and children today—a world which struggles for food and shelter—a world which now or at some time hungers or has hungered for peace and security—and a world which yearns or has yearned for the glorious estate of freedom, and for the precious blessings of liberty?

In place of stark fear, of dread apprehension of human servitude because liberties have been destroyed, of scorching bitterness and consuming hates which threaten to consume the people of the world themselves—its general acceptance would mean peace for troubled minds of human beings, peace for troubled nations, and justice for the humblest as well as justice for the powerful. Its general acceptance would end agony and usher in a revival of human hopes. Its general acceptance would restore to the distorted, suffering minds of men and women confidence in the inherent goodness of the glorified creatures who comprise mankind.

A Jew said it—a Jew who was born in Vienna—who came to this country because deep in his soul he believed in a country which had espoused the ideals to which he himself gave voice—a Jew, who had just been elevated to the Supreme Court by President Roosevelt. He sat there facing a group of the Senators who will pass upon the question of his confirmation. In the hearing he had been challenged because he was a Jew, and because it happened that he was born in Vienna. And this was his answer, an answer given in a low voice, barely reaching those nearby, an answer not intended as a reply to those who had challenged his appointment but on the contrary as a simple profession of faith and of devotion to the principle of civil liberties. There is an enduring majesty in his words. There is comfort and hope in those words. There is in them something of sublime wisdom which no friend of democratic government, and no believer in democratic ideals, can afford to ignore.

Tolerance is the word upon which those who are the most intolerant of all rely. Civil liberties mean liberties for those we like, and also for those we do not like, or may detest. Tolerance calls for a respect for the opinions and the actions of those we like and also for the opinions and the actions of those we do not like or may detest. Tolerance means trying to understand those who may differ with us; not only trying to understand but respecting what they may say, according them the full privilege to freely speak their conscience, and not only according them that privilege but insisting it is one of their inalienable rights. Tolerance calls for kindness, for gentleness, and for fairness. Tolerance calls for patience, for intelligence, for generosity, and for a love of humanity.

And what has the world today? It has the members of a race hated and despised, tracked down like rats, forbidden to leave their homes except under cover of darkness, stripped of their belongings, denied an asylum, and shot down. Such persecution begets greatness and wisdom. Out of the persecution of a race which has known persecution throughout its existence, from one of that race, comes a better appreciation of the full meaning of civil liberties than can be had from any other source.

The world tries for tolerance and practices intolerance. There is in that the old Biblical admonition of St. Luke: "If a son shall ask bread of any of you that is a father, will he give him a stone?" Will those who talk in the name of civil liberties deny to others, others they may like, others they may not like, or others they may detest, civil liberties?

JOINT COMMITTEE ON GOVERNMENT ORGANIZATION

The VICE PRESIDENT. The Chair appoints the Senator from Illinois [Mr. LUCAS] a member of the Joint Committee on Government Organization, under Public Resolution No. 4, Seventy-fifth Congress, vice Hon. Fred H. Brown, former Senator from New Hampshire, whose term has expired.

ALIENS EMPLOYED UNDER THE INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, in response to Senate Resolution 285, agreed to June 8, 1938, data and information concerning aliens employed under the Department of the Interior and the Puerto Rico Reconstruction Administration, which, with the accompanying papers, was referred to the Committee on Education and Labor.

REPORT ON AFFAIRS OF HOWARD UNIVERSITY

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the Annual Report of the Office of Education upon the affairs of Howard University, for the fiscal year ended June 30, 1938, which, with the accompanying paper and report, was referred to the Committee on Education and Labor.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate eight letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers on or from the files of the Navy, Post Office, Commerce, and Labor Departments, the Farm Credit Administration, Federal Trade Commission, and Works Progress Administration, which have no permanent value or historical interest and asking for action looking toward their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Executive Papers.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the California Cattlemen's Association at San Francisco, Calif., favoring the repeal of the Soil Conservation Act, and protesting against the imposition of a processing tax

on livestock or livestock products for any purpose whatsoever, which were referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a petition of sundry citizens of the United States, praying for a \$1,000,000,000 appropriation for the W. P. A. for the purpose of providing work for the unemployed until the end of the present fiscal year, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by a membership meeting of the New York City Branch of the Railway Mail Association, favoring an appropriation of \$875,000,000 for the Works Progress Administration, as proposed by the President, which was ordered to lie on the table.

Mr. CAPPER presented petitions of sundry citizens of Wichita, Kans., praying for the enactment of the so-called improved General Welfare Act, granting assistance to persons over 60 years of age, which were referred to the Committee on Finance.

Mr. LODGE presented a petition of sundry citizens of the State of Massachusetts, praying for the retention of the principle of the present neutrality law and extension of the law to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

SUGAR PRODUCTION

Mr. OVERTON presented a resolution adopted by the Louisiana Farm Council, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas the Louisiana Farm Council recognizes that the chief problems concerning functions of the United States with reference to rural life are: (1) Utilization of our basic natural resources (agricultural land), (2) means of providing gainful employment for American farmers and farm laborers, (3) recognize the importance of a sound agricultural program for the purpose of creating buying power within the United States in order that business may thrive and particularly that interstate trade may increase; therefore we beg to offer the suggestion that the value of domestic sugar has been underestimated in the handling of this great problem; and Whereas we are not ungrateful for the work which has been done by the United States Department of Agriculture in developing new varieties of sugarcane for domestic growers which are well adapted to southern climatical conditions and resistance to disease and insects; and

Whereas we appreciate the efforts of the A. A. A. in attempting to secure parity values for all crops; and

Whereas the Louisiana sugar business is an old and established industry and all of the State and Federal workers have failed to find a substitute for it; and

Whereas capital of some \$40,000,000 or \$50,000,000 now invested in mills has no value except in the manufacture of sugar, and capital of no small sum invested in farm machinery is not suitable for use in the growing of other crops, and all of this equipment would be sacrificed if sugar is not supported. We wish to call attention to the fact that in the continental United States at the present time there is an overproduction of all major farm crops except sugar, and that if the sugar crop is not allowed its rightful place in the United States, lands now planted to sugar would ultimately compete with the overburdened cotton, rice, corn, dairy, beef cattle, and hog crops; and

Whereas if a reasonable expansion in sugarcane for sugar is allowed to take place from year to year, every acre planted to cane for sugar could be made to relieve the pressure on the overproduced great farm commodities, particularly cotton, river rice, and truck; and

Whereas we further wish to point out that the Louisiana sugar industry at present supports many farmers and farm laborers as is shown by statistics. In 1935, 94.59 percent of the cane farms for sugar averaged 11.903 acres per farm. For every 7.4 acres one farm worker is required. For every 15.3 acres one extra part-time worker is required. For every 5 acres of sugar harvested, one harvest worker is required; and

Whereas we recognize that the United States Department of Agriculture, through its Sugar Division, is instructed to carry out an act of Congress, however, we wish to point out that a reduction in the acreage of sugarcane for sugar in 1939 must result in decreased earning power per farm; hence, decreased employment for labor and decreased trade both intrastate and interstate; and, further, that a great portion of our natural resource (land) is still lying idle, accumulating taxes as a detriment to the owner, the community, and the Nation. We recognize that if a stable policy could be held out as encouragement to the investment in machinery and implements, all of this land would go into the production of the now underproduced great commodity—sugar. The development of this land in the production of sugar would give gainful employment to thousands of public wards now on the relief rolls, not only in this State but in those other States from which we buy our goods: Therefore be it

Resolved, That it is our belief that the domestic sugar crop under prevailing laws is being turned into a liability instead of a great asset and that if it were allowed to gradually expand there would be no unemployment in the Sugar Belt and that many men now unemployed from other sections would move into the belt and that employment would be increased in the manufacturing centers where we buy our goods. That under the present broad authority granted the Secretary of Agriculture by the present Sugar Act, he allow a fair profit to the cane grower and processor alike, and that the law be amended to permit of a normal expansion in continental sugar production; be it further

Resolved, That a copy of this resolution be mailed to the Secretary of Agriculture of the United States, to the Sugar Section of the United States Department of Agriculture, to Senator JOHN H. OVERTON, to Senator ALLEN J. ELLENDER, and to all of Louisiana's Congressmen.

PRELIMINARY REPORT OF JOINT COMMITTEE TO INVESTIGATE THE T. V. A. (S. DOC. NO. 22)

Mr. DONAHEY, from the Joint Committee to Investigate the Tennessee Valley Authority, pursuant to Public Resolution 83, Seventy-fifth Congress, submitted a preliminary report, which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LOGAN:

S. 914. A bill for the relief of B. H. Hall; to the Committee on Claims.

S. 915. A bill to provide for the more expeditious settlement of disputes with the United States, and for other purposes; and

S. 916. A bill to establish a United States Court of Appeals for Administration, to receive, decide, and expedite appeals from Federal commissions, administrative authorities, and tribunals, in which the United States is a party or has an interest, and for other purposes; to the Committee on the Judiciary.

S. 917. A bill authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City; to the Committee on the Library.

S. 918. A bill for the relief of Fred Barnett; to the Committee on Military Affairs.

By Mr. MURRAY:

S. 919. A bill for the relief of William Boyer; and

S. 920. A bill for the relief of Mary Mihelich; to the Committee on Claims.

S. 921. A bill granting a pension to Daisy Saunders; and

S. 922. A bill granting a pension to Carrie Knowlton Morrow; to the Committee on Pensions.

By Mr. OVERTON:

S. 923. A bill granting an increase of pension to Jennie Stubbs; to the Committee on Pensions.

S. 924. A bill for the relief of the estate of Edgar Newman; to the Committee on Claims.

By Mr. TOWNSEND:

S. 925. A bill to amend section 545 of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913 (38 Stat. 114, 152, 159); to the Committee on Finance.

By Mr. BARKLEY:

S. 926. A bill for the relief of Sidney Farley; to the Committee on Military Affairs.

By Mr. McNARY:

S. 927. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of Suncrest Orchards, Inc.; to the Committee on Claims.

S. 928. A bill for the relief of George R. Sharp; to the Committee on Military Affairs.

S. 929. A bill to add certain lands to the Siuslaw National Forest in the State of Oregon; to the Committee on Public Lands and Surveys.

S. 930. A bill granting an increase of pension to Esther Ann Hill Morgan;

S. 931. A bill granting a pension to Martha J. Poole; and
S. 932. A bill granting an increase of pension to Eliza Wray; to the Committee on Pensions.

By Mr. HALE:

S. 933. A bill for the relief of Lester M. Newcomb; to the Committee on Military Affairs.

S. 934. A bill granting a pension to Jessamine L. Benson;
S. 935. A bill granting a pension to Elsie Blanchard;
S. 936. A bill granting a pension to Mary L. Bryant;
S. 937. A bill granting an increase of pension to Mary Coles;

S. 938. A bill granting a pension to Nellie Fredericks;
S. 939. A bill granting a pension to Ila May Grindell;
S. 940. A bill granting an increase of pension to Susie D. Hanscome;

S. 941. A bill granting a pension to Lillian M. Johnson;
S. 942. A bill granting a pension to Nellie B. Leighton;
S. 943. A bill granting an increase of pension to Marie Louise Lord;

S. 944. A bill granting a pension to Alice H. Palmer;
S. 945. A bill granting a pension to Alice L. Preston; and
S. 946. A bill granting an increase of pension to Telesphore Thivierge; to the Committee on Pensions.

By Mr. JOHNSON of California:

S. 947. A bill to provide for the exemption of certain vessels of the United States from the requirements of the Officers' Competency Certificates Convention, 1936; to the Committee on Foreign Relations.

S. 948. A bill for the relief of Daniel Bohen; and
S. 949. A bill for the relief of Robert Clyde Scott; to the Committee on Military Affairs.

S. 950. A bill to add certain land to the Shasta National Forest, Calif.; to the Committee on Public Lands and Surveys.

S. 951. A bill granting an increase in pension to Minnie Wetmore Cole;

S. 952. A bill granting a pension to Mary Harrington Niblack; and

S. 953. A bill granting an increase in pension to James J. Scanlon; to the Committee on Pensions.

By Mr. GILLETTE:

S. 954. A bill for the relief of J. P. Harris; to the Committee on Claims.

S. 955. A bill creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Commerce.

S. 956. A bill granting a pension to Mary S. Tuffree; to the Committee on Pensions.

By Mr. BONE:

S. 957. A bill for the relief of William David Hayes; to the Committee on Naval Affairs.

S. 958. A bill to amend sections 811 (b) and 907 (c) of the Social Security Act; and

S. 959. A bill to amend the Social Security Act to provide for matching equally the sums expended by the States for aid to dependent children; to the Committee on Finance.

By Mr. REYNOLDS:

S. 960. A bill granting a pension to James W. Harper; to the Committee on Pensions.

By Mr. WHEELER:

S. 961. A bill for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

S. 962 (by request). A bill to define the status of certain lands purchased for the Choctaw Indians, Mississippi; to the Committee on Indian Affairs.

By Mr. RUSSELL:

S. 963. A bill providing for the refund of taxes collected under Public Law No. 169, Seventy-third Congress, known

as the Bankhead Act; to the Committee on Agriculture and Forestry.

By Mrs. CARAWAY:

S. 964. A bill creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes; to the Committee on Commerce.

By Mr. WILEY:

S. 965. A bill to amend the act entitled "An act authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rice's Point in Duluth, Minn., to Superior in Wisconsin," approved June 30, 1938; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF—AMENDMENT

Mr. DAVIS submitted an amendment intended to be proposed by him to the committee amendment beginning on page 2, line 15, of the joint resolution (H. J. Res. 83) making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. DAVIS to the joint resolution (H. J. Res. 83) making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939, viz:

In lieu of the matter proposed to be inserted by the committee amendment, beginning on page 2, line 15, insert the following: "Provided further, That there is hereby appropriated to the Works Progress Administration, out of any money in the Treasury not otherwise appropriated, and in addition to any other sum appropriated in this joint resolution, the sum of \$150,000,000, but such sum of \$150,000,000 shall not be paid out of the Treasury unless and until there is filed with the Secretary of the Treasury, by the special committee hereinafter provided for, a certificate certifying that in the opinion of the committee (1) a full and complete investigation has been made, under the supervision of such committee, of the abuses which have occurred at any time in the administration of the Works Progress Administration, (2) there have been removed from the rolls of the Works Progress Administration the names of all persons who are not eligible for, and entitled to, employment by the Works Progress Administration, and (3) the expenditure of such additional sum as is necessary in order to provide adequate work relief and relief: *Provided further*, That such investigation shall include, but shall not be limited to, an investigation of any alleged instances of (1) pernicious political activity by any person whose compensation, or any part thereof, has been paid from funds appropriated or allocated to the Works Progress Administration, (2) granting employment with such funds to persons who were not eligible for and entitled thereto, (3) refusal, because of any partisan political or any personal reasons, to grant employment with such funds to persons who were eligible for and entitled thereto, and (4) padding of the relief rolls with the names of relatives, personal friends, or political allies of any employee of the Works Progress Administration or any other person: *Provided further*, That the President is hereby authorized to appoint, with the advice and consent of the Senate, five persons (not more than three of whom shall be members of the same political party), who shall compose the membership of the special committee heretofore referred to and who shall serve without compensation other than reimbursement for necessary traveling expenses incurred by them in the performance of their duties as members of such committee: *Provided further*, That for the purpose of conducting such investigation the special committee is authorized to expend not in excess of \$250,000 of the sum of \$725,000,000 appropriated by this joint resolution, and for the purpose of conducting such investigation may employ and fix the compensation of such persons as it may deem necessary and may accept from States and political subdivisions thereof and from private individuals contributions of funds and uncompensated services: *Provided further*, That the investigation in each State shall be carried on under the supervision of a board to be composed of five non-partisan residents of such State and the investigation to be carried on in any political subdivision of such State

which the committee may designate as a unit for the purposes of such investigation shall be carried on under the supervision of a board to be composed of five nonpartisan residents of such political subdivision: *Provided further*, That the members of any such board for any State or political subdivision thereof shall be appointed by the committee from 2 lists of 10 eligible persons, 1 of which shall be submitted to such committee by each of the members of the Senate from such State, but not more than 3 persons shall be selected from the list submitted by any such Senator: *Provided further*, That no officer or employee of the United States, a State, or a political subdivision of a State shall be appointed to, or serve on, any such board: *Provided further*, That the members of such boards shall receive no compensation for their services other than reimbursement for traveling expenses incurred by them in the performance of their duties as members of such boards: *Provided further*, That the special committee shall make a report to Congress not later than January 1, 1940, with respect to the investigation herein provided for."

RATIFICATION BY THE SENATE OF FOREIGN-TRADE AGREEMENTS

Mr. O'MAHONEY submitted the following resolution (S. Res. 69), which was referred to the Committee on Finance:

Resolved, That it is the sense of the Senate that foreign-trade agreements entered into under the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, are treaties which under the Constitution can be made only by and with the advice and consent of the Senate; and, there being nothing in such act which provides that such agreements should not be ratified by the Senate as other treaties are ratified, it is the sense of the Senate that such agreements should be made effective only if the Senate has advised and consented to their ratification.

STIMULATION OF INDUSTRY IN THE PUBLIC LAND STATES

Mr. O'MAHONEY submitted the following resolution (S. Res. 70), which was referred to the Committee on Public Lands and Surveys:

Resolved, That in order to stimulate private industrial and commercial activity in the public-land States and to increase opportunities for employment through the full utilization of the natural resources of the public domain, the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, be and it is hereby authorized and directed to institute and conduct a thorough study and investigation of what, if any, legislation is desirable and feasible to encourage the use of local capital for these purposes: And be it further

Resolved, That for the purposes of this resolution the said committee, or any subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted; to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

NATIONAL ECONOMY AND THE BANKING SYSTEM—ARTICLE BY FORMER SENATOR OWEN (S. DOC. NO. 23)

Mr. LOGAN. Mr. President, former Senator from Oklahoma, Hon. Robert L. Owen, who served with distinction in this body for 18 years, and who was chairman of the Banking and Currency Committee for some of that time, has prepared an article entitled "An Exposition of the Principles of Modern Monetary Science in Their Relation to the National Economy and the Banking System of the United States." It is in manuscript form. I believe that it is of sufficient importance to justify my asking unanimous consent of the Senate that it be printed as a Senate document, and I accordingly make that request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PREPAREDNESS FOR DEFENSE—ADDRESSES BY SENATOR PITTMAN AND SENATOR TAFT

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD the address on the question Preparedness for Defense, delivered by him in the Forum of the Air on Sunday, January 22, 1939, and also the address delivered by Senator TAFT on the same subject on the same occasion, which appear in the Appendix.]

FOREIGN RELATIONS—ADDRESS BY SENATOR REYNOLDS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address delivered by him at the annual meeting of the Coalition of Patriotic Societies at the Carlton

Hotel, Washington, D. C., January 24, 1939, which appears in the Appendix.]

STATUS OF PUERTO RICO—ADDRESS BY SENATOR BURKE

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address by Senator BURKE on the status of Puerto Rico under our present economic program, which appears in the Appendix.]

THE GOVERNMENT AND BANKING—ADDRESS BY MARRINER S. ECCLES

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address on Government and Banking, delivered by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, before the New York Chapter, American Institute of Banking, on December 1, 1938, which appears in the Appendix.]

PLANS FOR DEFENSE—LETTER FROM MAJ. GEN. WILLIAM C. RIVERS

[Mr. NYE asked and obtained leave to have printed in the RECORD a letter dated January 12, 1939, by William C. Rivers, major general, United States Army (retired), which was printed in the New York Times under the heading "Plans for Defense," which appears in the Appendix.]

PROPOSED FARM LEGISLATION—ARTICLE BY A. W. RICKER

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article on the subject of farm legislation before Congress, by A. W. Ricker, editor, Farmers' Union Herald, published in the Minnesota Leader, St. Paul, Minn., January 21, 1939, which appears in the Appendix.]

AGRICULTURAL PROBLEMS—STATEMENT BY THE NATIONAL GRANGE

[Mr. LEE asked and obtained leave to have printed in the RECORD a statement dated January 22, 1939, on the subject of the current agricultural problems, issued by the National Grange, which appears in the Appendix.]

EXCERPTS FROM AN ECONOMIC PROGRAM FOR AMERICAN DEMOCRACY

[Mr. GREEN asked and obtained leave to have printed in the Appendix a statement entitled "Excerpts From an Economic Program for American Democracy," which appears in the Appendix.]

THIRD PRESIDENTIAL TERM

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article by J. J. Perlman entitled "The Third Term Legend," which appears in the Appendix.]

REPORT OF JOINT PREPARATORY COMMITTEE ON PHILIPPINE AFFAIRS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report (in four volumes), referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States of America:

I transmit herewith for the consideration of the Congress the report of the Joint Preparatory Committee on Philippine Affairs appointed by President Quezon and myself to recommend a program for the adjustment of Philippine national economy. This report was made public on November 29, 1938. It has my approval and the approval of President Quezon, as indicated in the press announcements, copies of which are attached, made on the date of publication of the report.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 24, 1939.

[Enclosures: 1. Report of Joint Preparatory Committee on Philippine Affairs. 2. Press announcements.]

ADDITIONAL APPROPRIATION FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 83) making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

CALL OF THE ROLL

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	La Follette	Reynolds
Andrews	Downey	Lee	Russell
Ashurst	Ellender	Lewis	Schwartz
Austin	Frazier	Lodge	Schwellenbach
Bailey	George	Logan	Sheppard
Bankhead	Gerry	Lucas	Shipstead
Barbour	Gibson	Lundeen	Smathers
Barkley	Gillette	McCarran	Smith
Bilbo	Glass	McKellar	Stewart
Bone	Green	McNary	Taft
Borah	Guffey	Maloney	Thomas, Okla.
Bridges	Gurney	Mead	Thomas, Utah
Bulow	Hale	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Tydings
Byrnes	Hayden	Neely	Vandenberg
Capper	Herring	Norris	Van Nuys
Caraway	Hill	Nye	Wagner
Clark, Idaho	Holman	O'Mahoney	Walsh
Clark, Mo.	Holt	Overton	Wheeler
Connally	Hughes	Pittman	White
Danaher	Johnson, Calif.	Radcliffe	Wiley
Davis	Johnson, Colo.	Reed	

Mr. MINTON. I announce that the Senator from Utah [Mr. KING] is absent because of illness. The Senator from Michigan [Mr. BROWN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. PEPPER], and the Senator from Missouri [Mr. TRUMAN] are detained from the Senate on important public business.

The PRESIDENT pro tempore. Ninety-one Senators have answered to their names. There is a quorum present.

Mr. ADAMS. Mr. President, those of us who have been serving on the Appropriations Committee in connection with House Joint Resolution 83, dealing with the appropriation for relief, have been conscious that there has been much misunderstanding throughout the land in reference to the facts. There has been much misrepresentation as to the situation, some innocent and some not innocent. There has been a very extensive propaganda. The issue has been misstated to the people of the United States. I do not say intentionally. The issue that has been apparently presented to the people is as to whether or not there is to be a cut in the relief appropriations. People write me saying, "You should not cut the relief appropriations."

Mr. President, the question is not as to a cut in relief appropriations, but as to the amount which shall be added. This is a joint resolution providing additional appropriations for relief. The appropriations which were made in the last session of Congress were made for an 8-month period. We now have a recommendation from the President that \$875,000,000 be appropriated.

The House of Representatives, after an extensive hearing, decided that the needs and obligations of the country could be fulfilled by an appropriation of \$725,000,000 in addition to the moneys now available and heretofore appropriated. There had been appropriated for relief during the fiscal year 1939, prior to this joint resolution, \$1,740,000,000. That much has already been appropriated. So the question is whether we shall appropriate a total of \$2,465,000,000 or whether we shall appropriate a total of \$2,615,000,000—a difference of practically 5 percent in the aggregate appropriations for relief in the fiscal year 1939.

The subcommittee of the Senate Committee on Appropriations held extensive hearings. They had before them only advocates of the larger sum, and I wish to say that some of us, representing the view that the \$725,000,000 appropriation was adequate, resent the attitude some take that we wish to turn out on the streets in the midst of winter those in need of relief, that we are regardless of the obligations which the Federal Government owes to its citizens.

I desire to say to the Members of the Senate that it is my sincere judgment that those who have supported the lesser amount are more concerned, if possible, in the welfare of those in distress than are those who are advocating the larger amount. Why do I say that? We are told that the recovery program is a great humanitarian movement. We are told that the program which we advocate, involving the lesser amount, means jeopardizing the recovery program in

this country. We are told that it means misery and privation for families.

Mr. President, when we speak of humanitarian projects, some concentrate their gaze upon too narrow an area. Some are thinking only of the 3,000,000 people who are immediately the beneficiaries of the Government's generosity. Some of us are thinking of 130,000,000 people. Some of us think that the greatest humanitarian movement in the history of this world is the American Government and American institutions. Some of us are fearful that unless the tendency to extreme appropriations is turned we will break down the greatest humanitarian movement in the history of this world. And I do not say that idly, or as a mere argument. I say that we have reached the point, or are approaching the point, where we must count the cost. I think no longer can we merely say that "Here is a project good in its purposes, good in its results, and therefore we will undertake it." I think we must begin to count the cost.

No group would suffer as much by the falling of our institutions, by the impairment of the credit of the United States, as would those on relief. They would be the greatest sufferers. Those for whose benefit humanitarian projects have been inaugurated would be the first and the greatest sufferers if the credit of this great Government were impaired and we could no longer go forward and spend for their benefit.

The \$150,000,000 which represents the difference between the two groups of the Committee on Appropriations is but a part of the difference. There is a question of the tendency and of the trend of the mind of Congress. We are told, as I have said, that we are jeopardizing the entire recovery movement. I ask Senators to look back over the record. If they will do so, they will find that the recovery movement, stimulated by this administration, executive and legislative, went forward upon an upgrade. Then there came a recession of the recovery movement. The prime problem of America today is that of unemployment. There are 10,000,000 to 11,000,000 employables in this country in need of employment. If we are to work our way out, we are to do it through private employment, and not through public employment. It is impossible to secure increase in private employment unless we give some encouragement to the man who is to meet the pay roll on Saturday night. We cannot on the one hand strike down industry, say to industry, "You shall never profit," and on the other hand say to industry, "You must absorb 10,000,000 or 11,000,000 unemployed."

Throughout this land, throughout this body, is uneasiness as to the future of this country; and Senators know it. It is not said often on the floor, but it is said in the cloak rooms, it is said in our homes, "Where are we going? How long can this continue?" We have had it said twice before our Committee on Appropriations that the character of appropriations we have been making for relief cannot be continued indefinitely, and those two remarks were made by the two men who urged us most strongly to approve the increased amount.

What is the interest in this? It is in the mental attitude of the people of America; it is in their viewpoint of the Congress of the United States. They want to know what Congress proposes to do. Is Congress interested in establishing sound and safe conditions, or is Congress going to spend and spend and spend until the credit of the Government is at an end? If we can show to the country that Congress is studying the problem of expenditures, that Congress means to be considerate of the taxpayer, that Congress, before it appropriates, will study and will think of the consequences, there will be a wave of encouragement through this land which may do a vast amount of good.

Mr. SMATHERS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from New Jersey?

Mr. ADAMS. Very gladly.

Mr. SMATHERS. In view of the fact that the President of the United States said that it would take \$875,000,000, and in view of the fact, as stated by the Senator this morning,

that every witness who appeared before the committee testified that it would take that amount, where does the Senator and where did the committee get the information, and from whom, that \$725,000,000 would do the job?

Mr. ADAMS. I shall be very glad to digress from what I was saying in order that the Senator may have an answer to his question promptly.

No doubt the President of the United States relied upon the figures he got from Colonel Harrington, of the Works Progress Administration, and he had a right to do so. The President of the United States cannot go about and gather up the figures for himself. We as members of the subcommittee accepted the figures Colonel Harrington gave us, with the addition of figures which the President of the United States sent to us the day after we heard Colonel Harrington.

Colonel Harrington's figures are not correct. He has made a mistake of \$56,000,000, and we are dealing with an issue of \$150,000,000. How does he make that mistake? He tells us that there is money available, now on hand, to pay the expenses of his administration until the 7th of February. Then, when he proceeds to figure what we need to appropriate, he goes back to the 1st of February and duplicates the appropriation. So he figures we are going to spend twice from the 1st to the 7th of February, which involves \$45,000,000. It is a perfectly obvious mistake.

Sixty million dollars of the original appropriation was turned over to certain Federal agencies for the purpose of employing W. P. A. workers until the 1st of March.

That money was sent over. The period was fixed. Money is already provided so that 90,000 of the workers will be paid up until the 1st of March. There, again, we have a mistake of over \$11,000,000. We find the sum of \$56,000,000 which the good colonel innocently tells us we need, and which we already have.

Mr. BORAH. Mr. President—

The PRESIDENT *pro tempore*. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I yield.

Mr. BORAH. Was the colonel's attention called to these alleged mistakes?

Mr. ADAMS. I think not in that exact form. I will say to the Senator from Idaho that the colonel read a statement to the committee, and the members of the committee have taken the colonel's statement and studied the figures since they were presented. The statement was a long one. All the figures were not before us at the time. Some of us do not grasp figures as readily as others. But those figures are now in the record.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I am glad to yield to the Senator from Tennessee.

Mr. McKELLAR. Colonel Harrington did testify, however, that the 90,000 workers employed by other departments were included in the figures he gave, and he also testified that the \$60,000,000, which was supposed to be used for that purpose, was included in all his calculations about the matter. The Senator will recall that Colonel Harrington so claimed in his testimony and in his report.

Mr. ADAMS. The Senator from Tennessee is absolutely correct, but he stops short of one fact. The \$60,000,000 was turned over to other Federal agencies. They have taken care of 90,000 people. But the \$60,000,000 was there to take care of the 90,000 people until the 1st of March. So that the difference arises from the fact that we have the period from this time until the 1st of March, during which 90,000 people are already provided for.

Mr. McKELLAR. Mr. President, if that is correct, then the joint resolution is certainly incorrect in its terms, because on page 3 it provides:

Provided further, That the limitation of \$60,000,000 in section 3 of such act—

The limitation we are now talking about—

on the amount that may be allocated to other Federal departments, establishments, and agencies is hereby increased to \$83,000,000.

The purpose of that language was to increase the projects now being carried on by the other agencies. In other words, the \$60,000,000 allowed the other agencies who are employing 90,000 men is allocated in this very measure, but is not a sum sufficient for the purpose, because, as the Senator will remember, the Senator from Arizona [Mr. HAYDEN] offered an amendment to the provision for \$83,000,000 to make it \$93,000,000, so as to take care of the 90,000 who were being employed by other agencies. So the Senator must be mistaken as to his claim that that was not provided for in the joint resolution itself.

Mr. ADAMS. Nothing pains me more than to differ with the distinguished senior Senator from Tennessee.

Mr. McKELLAR. Mr. President, we do it in all good nature anyway, because I am much devoted to the Senator from Colorado.

Mr. ADAMS. But the senior Senator from Tennessee overlooks one fact. The money has been provided to pay these people up until the 1st of March. The additional sum is added in order that they may be continued in employment from the 1st of March until the 1st of July.

Mr. McKELLAR. That is exactly correct.

Mr. ADAMS. What I am saying is that Colonel Harrington's figures are wrong in not allowing for the fact that 90,000 of these people have had their pay provided for them up until the 1st of March.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. If the Senator would call the attention of the Senator from Tennessee to page 35 of the hearings before the Senate committee he would find that Colonel Harrington presented a statement showing that as of December 31 there were employed under the Works Progress Administration 3,081,000 persons, and that 3,081,000 figure is arrived at only by including 91,000 employed under other Federal agencies. Colonel Harrington furnished the break-down. He said the number on W. P. A. is 2,989,000, and under other Federal agencies 91,000. So the Senator from Colorado is correct. The only way Colonel Harrington arrived at the total figure of 3,081,000 was by including the 91,000 employed by other Federal agencies.

As to the question of the Senator from Idaho [Mr. BORAH], I think the Senator from Colorado will agree that we endeavored day after day to get from Colonel Harrington more information as to how he ever arrived at the figure of his balance of cash on hand, and to this good minute I am unconvinced by all his fear. I can take a piece of paper and a pencil and convince any man that he has the money and that he cannot possibly show to the satisfaction of any committee that he is without these funds. It is a mere matter of calculation; the Senator from Idaho and I could settle the matter right here. Colonel Harrington told us that he had \$313,000,000 on January 1. He has 3,000,000 people employed. He cannot spend that money for anything except to pay people or to buy material. He figures the cost at \$61 per month. Sixty times three million is \$180,000,000. When you take \$180,000,000 from the \$313,000,000 you have left \$130,000,000, which carries him from February 1 to February 7, and he has \$85,000,000 left, unless it is going to be spent in some way that is not authorized by law, because the law does not authorize him to spend anything except for the pay of people and payment for material. We interrogated him time and again in an effort to find out how those figures which were presented by him were arrived at. We did not neglect to do that.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BORAH. The situation has developed in the debate that the differences here are due to a mistake on the part of the colonel.

Mr. ADAMS. I think that is largely true.

Mr. BORAH. In other words, if it were not for this mistake which it is presumed that the colonel has made, there would not be any real difference between those supporting

the \$725,000,000 figure and those supporting the \$875,000,000 figure.

Mr. ADAMS. The difference would be less by \$56,000,000.

Mr. BORAH. The mistake of the colonel, then, covers only \$56,000,000?

Mr. ADAMS. That is as far as I have gone. I have another item also to mention.

Mr. BORAH. That is what I am trying to ascertain. Is there any real difference here except concerning what is supposed to be a mistake of the colonel?

Mr. ADAMS. Yes; I think there are several differences.

Mr. BORAH. I mean with reference to the amount to be appropriated?

Mr. ADAMS. No.

Mr. BORAH. That is certainly interesting news.

Mr. McKELLAR. Mr. President, will the Senator yield at that point?

Mr. ADAMS. Certainly.

Mr. McKELLAR. The Senator will recall that Colonel Harrington was examined very carefully about the supposed mistake of \$56,000,000, both as to the amount that it would take to carry him to February 7 and as to the amount allotted other agencies of the Government. But Colonel Harrington maintained all through his testimony, and I believe with absolute accuracy, that he had made no mistake; that there was not a dollar to be had after February 7 unless it was appropriated in the pending joint resolution, and that there had been no mistake of \$56,000,000. Colonel Harrington stated in his testimony that all the money will be gone on February 7 and that an appropriation will have to be made to carry the work from that time on.

Mr. ADAMS. Let me call the Senator's attention to page 33 of the hearings. Senator BYRNES inquired of Colonel Harrington:

Senator BYRNES. What I think the committee is anxious to know now is when you say that your money will be exhausted February 7, you mean that it will be exhausted, because you have set aside out of available funds an amount sufficient to take care of your actual obligations for material?

Colonel HARRINGTON. Yes, sir.

Senator BYRNES. An amount sufficient to carry your pay roll up to what day?

Colonel HARRINGTON. About to the 7th of February.

In other words, several times Colonel Harrington said that he had money to carry his pay roll up to the 7th of February. My own judgment is he has money to carry it beyond that, but I am accepting the colonel's figures for this part of the argument. Then a very extensive minority report was placed upon the desks of Senators yesterday, in which was set forth the amount of money that would have to be spent for February, and the figure is stated at \$183,000,000. The only money that is required to be put up is from February 7 to February 28; \$183,000,000 will pay 3,000,000 persons at \$61 per month for a full month of 30 days. In other words, the payment for a minimum of 7 days, and possibly 9 days, has been doubled up in the figures presented by Colonel Harrington and given in the minority report.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. We will get to that in a few moments. But will not the Senator read or permit me to read the next question of Senator BYRNES on the very subject about which the Senator speaks? Let me read it.

Mr. ADAMS. May I ask the Senator a question before he does that?

Mr. McKELLAR. Yes.

Mr. ADAMS. Does the Senator question the fact that Colonel Harrington said he had money to last him to the 7th of February?

Mr. McKELLAR. Not at all. I am maintaining that. And he will have it on the 1st of July. If the \$875,000,000 is appropriated he will have enough to carry him to the 7th of July. He has to pay his bills after the first of the month.

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Returning now to the next question, which I think simplifies the matter very much:

Senator BYRNES. And if you pay your pay roll on February 7, then your statement is that you will have no funds left except the funds which have been set aside to meet these contractual obligations that are outstanding; is that correct?

Colonel HARRINGTON. That is correct; yes, sir.

Mr. ADAMS. Let us make clear what that means.

Mr. BYRNES. Mr. President, will the Senator again yield?

Mr. ADAMS. I yield.

Mr. BYRNES. Inasmuch as the Senator quotes me, and quotes a question I asked Colonel Harrington, I will say that that is undoubtedly what the colonel said, and he was just as wrong as he can ever be according to his own figures.

Mr. McKELLAR. The Senator from South Carolina may be correct, and Colonel Harrington may be wrong, but Colonel Harrington has made a study of these matters.

Mr. ADAMS. But the colonel thought we had not.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ADAMS. Just a moment, if the Senator will permit me. I want to follow up the matter read by the Senator from Tennessee.

In answer to the Senator from South Carolina [Mr. BYRNES] it was stated that no funds would be left except the funds which have been set aside to meet the contractual obligations which are outstanding. In other words, there would be money to meet part of the pay roll which had accrued during the week under discussion. On the next page Colonel Harrington is asked how much will be left, and he says he will have \$50,000,000 left after the 7th of February. That is, he says he has left not only the money to the 7th of February, but \$50,000,000 more than that, to meet obligations accrued prior to that time.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. McKELLAR. The amount referred to was for materials used in the work, as is fully explained in the hearings and elsewhere.

Mr. ADAMS. Under the law which was enacted, he is limited to \$7 per man per month for materials. Here is an item of \$50,000,000, which is eight times what he could have spent for materials under our limitation.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. That limitation simply means that he may not spend more than \$7 per month per man, and he has 3,000,000 men on the rolls. He could not spend for materials or contract for materials in excess of \$21,000,000 in any month; and if he has \$85,000,000 for materials, it means that he has not paid a cent for materials for December, November, or October, which is simply incredible.

Mr. McKELLAR. Mr. President, will the Senator yield once more on this question?

Mr. ADAMS. I yield.

Mr. McKELLAR. If the Senator will be good enough to read to the Senate all of page 34 of the hearings, showing the questions which were asked Colonel Harrington on this point, the facts will be perfectly clear.

Mr. ADAMS. We have two terms which ought not to be confused, namely, "unexpended balances," and "unobligated balances." To give an illustration, a man might have a bank account of \$1,000. He might have a check for \$100 outstanding. On the books of the bank his unexpended balance would be \$1,000. On his own checkbook it would be \$900. In other words, he had obligated \$100 which did not show on the books of the bank.

The unexpended balance represents the amount to the credit of the W. P. A. on the Treasurer's books. The unobligated balance represents the figures as they should be on the W. P. A. books. That is, when the W. P. A. employs people, it charges against its credit with the Treasurer upon its books the amount it will take to pay whatever obligations it has incurred.

On the 16th of January a statement of the Treasury of the United States was laid on our desks. In that statement the relief appropriations are summarized. On the 31st of December, at a time when Colonel Harrington said he had unexpended \$311,000,000—before the committee he said \$327,000,000, but when he corrected the proof he changed it to \$311,000,000—the Treasury of the United States says that there were unexpended balances of \$716,000,000. Colonel Harrington said that he had unobligated balances on the 31st of December of \$190,000,000.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ADAMS. Just a moment until I complete this point.

The United States Treasury says that on the 31st of December there were unobligated balances of \$482,000,000. That was on the balance sheet laid on our desks on the 16th of January. We all received a summary of the statement. It is headed in this way:

Extracts from Report of the President of the United States to the Congress Showing the Status of Funds and Operations Under the Emergency Relief Acts of 1935, 1936, 1937, and 1938, as of December 31, 1938.

This official statement, on page 94 of the larger volume before us shows unexpended balances of \$716,854,000. On page 97 are shown unobligated appropriation balances of emergency relief funds of \$482,800,000.

Is there any reason why those of us who sit on the committee and who find Colonel Harrington in error to the extent of \$56,000,000 upon the figures before us, should not go back into the official reports and study what the Treasury Department and the President say to us?

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SMATHERS. I am wondering if I heard correctly when I understood the Senator to say, in response to a question by the Senator from Idaho [Mr. BORAH] that the \$150,000,000 cut is not an effort to practice economy but, on the contrary, is the difference between an incorrect figure given by Colonel Harrington and the correct figure.

Mr. ADAMS. The Senator did not hear correctly if he understood me to say that it was not an effort to practice economy, because it is an effort to practice economy. Further, I stated that there was a difference of \$56,000,000 in the basic factual items furnished by Colonel Harrington; in other words, that the difference in the conclusion which we have reached was affected by that obvious error.

Mr. SMATHERS. There is a difference of \$100,000,000. Giving full credit to the mistake alleged to have been made by the colonel, there is still a difference of \$100,000,000. Is that correct?

Mr. ADAMS. If we disregard the statements of the United States Treasury.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. Does the Senator question the fact that Colonel Harrington knows how much money he will have on the 7th of February?

Mr. ADAMS. I will say to the Senator from Kentucky that I am not raising any such question. I am calling the attention of the Senate to the official document submitted to Congress by the President of the United States for the purpose of giving us the information. As between the two, may I ask the Senator whether he would take the word of Colonel Harrington or the word of the President of the United States?

Mr. BARKLEY. The Senator cannot involve me in a controversy of that sort. It is entirely possible that the figures can be reconciled, because frequently when we take the book-keeping records of one department and the actual facts of another department, while there may be an apparent difference on the surface, it can be easily reconciled.

One more question.

Mr. ADAMS. I hope the Senator has the reconciliation.

Mr. BARKLEY. I think I have it. However, I do not intend to give it just at the moment.

Mr. ADAMS. Is it a secret? [Laughter.]

Mr. BARKLEY. I want to ask the Senator if I understand correctly that he is attempting—whether successfully

or not, we need not quibble over that—to absorb a part of the \$150,000,000 cut by attributing it to mistakes of Colonel Harrington?

Mr. ADAMS. No. We are endeavoring to show that there is more money available than Colonel Harrington told the committee there was available. It is a mere matter of the money available to meet relief. Of course, any man who makes serious mistakes upon vital matters naturally subjects the rest of his testimony to scrutiny.

Mr. BARKLEY. The Senator mentions the figure of 3,000,000. As a matter of fact, there are 3,081,000 persons on the rolls. Does the Senator, in making his estimate, assume that on the first day of February 80,000 persons will have to be immediately stricken from the rolls? I believe the joint resolution provides that the President may not strike off more than a total of 5 percent during February and March. Five percent of 3,000,000 would be 150,000. Are we to assume that in order to reach the Senator's conclusion on the first day of February 81,000 persons, who constitute more than half of the 5 percent provided for in the joint resolution, must be stricken from the rolls?

Mr. ADAMS. May I give to the Senator some more modern figures? After Colonel Harrington testified before our committee he made a speech in New York, and in that speech Colonel Harrington gave out the report for the week ending January 14, showing that the grand total on the W. P. A. rolls had fallen that week by 39,346, to 3,017,035. The figures include Federal agency projects financed with W. P. A. funds to the extent of 90,000 people. So the figure we are dealing with is not 3,081,000. We are dealing with 3,017,000, less 90,000, whose pay has already been provided for up until the 1st of March, and the rate of decline on the relief rolls in a week was practically 40,000.

Mr. BONE. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. BONE. I was not privileged to hear the opening part of the Senator's statement; but are we to assume that there is in the Treasury, in the form of unexpended balances available to the Works Progress Administration, sufficient money to offset the proposed \$150,000,000 cut, so that if this body should approve the \$725,000,000 appropriation there would still be available \$875,000,000 or somewhere near that amount? I would not have asked the question if I had heard the Senator's entire statement.

Mr. ADAMS. I do not have the figures in mind in that way at all. I am endeavoring to point out what I see to be the financial situation. Then I am going to endeavor to try to deal with the number of the unemployed entitled to go on W. P. A. rolls. I am not dealing definitely with the difference between one figure and another.

Mr. BONE. Let me state the problem I have in mind somewhat differently. Suppose we draw a red line and this body should approve an appropriation of \$725,000,000, how much money would be available for W. P. A. for the period ending June 30 next? What would be approximately the total amount available with unexpended balances in the form of a credit against which the W. P. A. can draw?

Mr. ADAMS. The Senator refers to unexpended balances. I am trying to explain that the unexpended balances on the 1st of January, according to the figures of the Treasury, were \$716,000,000 and \$311,000,000, according to Colonel Harrington's figures. Then the unobligated balances which are available for allocation to pay ensuing obligations Colonel Harrington says are \$190,000,000, while the Treasury Department says they are \$482,000,000.

Mr. BONE. Are we to assume, then, from the Treasury figures that there is now available at this time, according to the latest report the Senator quotes, something over \$400,000,000 available for W. P. A.? I am talking now about the true balance; I do not care what the books of the Treasury may show. I wish to know about the actual number of dollars available to the W. P. A. upon which it can draw for relief purposes.

Mr. ADAMS. I am frank to say to the Senator that I have had some difficulty in deciding for myself as to the two sets of figures. I am unable, with my deficient mathematical ca-

capacity, to reconcile the Treasury unobligated balance of \$482,000,000 with Colonel Harrington's unobligated balance of \$190,000,000 at the same time. The Senator from Kentucky intimates that there is a reconciliation. I trust that there is, and I assume that to a certain extent there is.

Mr. BARKLEY. Mr. President, in that connection, if I may interrupt the Senator, on the 31st of December the Treasury figures show the obligated balance; but it is entirely possible that there are millions of dollars, perhaps hundreds of millions of dollars, of obligated contracts that have not reached the Treasury from the W. P. A. I do not know how long it takes for an obligation entered into by the W. P. A. to reach the Treasury. They know nothing about it until it gets there. So it is entirely possible that on the 31st day of December there might be \$418,000,000 on the books of the Treasury unobligated or unexpended, and a week later or 2 weeks later, when the obligations come over from W. P. A., they would absorb most of that balance and reduce the amount very materially.

Mr. ADAMS. Of course, I do not pretend to be a master of Federal bookkeeping, but the Federal Government's Treasury Department assumes to set up the unobligated balance. If the Senator were correct, the only figure that they could give us would be the unexpended balance, but they do give us the unobligated balance, and they give other figures showing unliquidated obligations, that is, obligations that are accruing. They seem to know somehow the amount. I take it for granted that the W. P. A. make daily reports to the Treasury Department of their financial operations and their obligations as they incur them.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Colorado may remind the Senator from Kentucky that there could be no outstanding obligations amounting to several hundred million dollars, because the W. P. A. has no authority under the law to incur any obligations for anything except materials, and such obligations must be limited to \$7 per man per month, which, even with 3,000,000 men on the rolls, would amount to only \$21,000,000 a month. The only way they could have outstanding obligations for several hundred million dollars would be to have paid absolutely nothing during all the months of 1938, which, of course, did not happen.

Mr. ADAMS. Mr. President, I wish to read from page 104 of the report of the President of the United States to the Congress in reference to the Emergency Relief Appropriation Act. In a series of explanatory notes to the table, under the head of obligations, this is said:

Obligations consist of actual and accruing liabilities or commitments incurred by project managers or other authorized administrative officers. "Obligations," as used herein, do not necessarily represent in all cases an immediate legal liability; but when a definite step has been taken with a view to incurring a liability on the part of the Government, such as in the case where a requisition for supplies, materials, or equipment has been submitted to the Procurement Division of the Treasury Department, an amount is set up as an obligation in the allotment account affected. In this connection it may be noted that work performed under the work-relief program is performed principally through the employment of labor on force account rather than by contract; and in order that sufficient funds may be reserved in the particular project account to meet pay rolls the Treasury has adopted the practice of charging as an obligation at the beginning of each pay period (usually covering a half month) an amount to cover the pay rolls when presented at the end of the pay period. In like manner anticipated obligations, covering travel expenses and similar items, are charged by the Treasury Department as obligations in advance of the actual receipt of vouchers therefor.

This procedure is necessary in order that the accounts will reflect as nearly as practicable the accruing liability of the Government for each project, and that administrative agencies will not incur obligations in excess of funds available for projects or limitations thereunder.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. ADAMS. Certainly.

Mr. McKELLAR. I am not sure that the Senator from Colorado gives full faith and credence to it, but he will recall that Colonel Harrington testified as follows on this very

subject—and I am quoting his exact words from page 34 of the record:

There will be no money available after February 7 to employ anyone.

If that is to be believed, then after the date given there will be no money, either hidden or otherwise, with which to employ anyone on W. P. A. projects.

Mr. ADAMS. Will not the Senator go back to page 33, where Colonel Harrington qualified that?

Colonel Harrington was asked by the Senator from South Carolina [Mr. BYRNES]:

Senator BYRNES. And if you pay your pay roll on February 7, then your statement is that you will have no funds left except the funds which have been set aside to meet these contractual obligations that are outstanding; is that correct?

Colonel HARRINGTON. That is correct; yes, sir.

In other words, there is a 2 weeks' pay roll always outstanding, and the 2 weeks' pay rolls amount to \$90,000,000.

Mr. McKELLAR. But, Mr. President, if we are to believe Colonel Harrington, he has testified unequivocally, without the shadow of turning, that there would be no money to employ anyone under W. P. A. after February 7.

Mr. ADAMS. I do not think that is quite a fair interpretation of Colonel Harrington's statement.

Mr. McKELLAR. I do not see how it could be disputed; there it is in the record.

Mr. ADAMS. He may say that there is no money to employ anybody, but he has employed people for a 2-week period and he has the money to meet the pay roll when that 2 weeks has run, which will run not until the 7th, but, at least, until the 14th. In other words, I think the Colonel is wrong, not only as to \$45,000,000 but I think he has left us uneasy to the extent of \$90,000,000.

For these reasons I think that the statement of the finances upon which the conclusions were based was somewhat in error, and I take it for granted that the Senate of the United States does not want to appropriate more money than necessary to meet the needs of those in distress for whose care the Government is fairly obligated.

Mr. BORAH. Mr. President, that brings me to interrupt the Senator again, if I may. I am asking this question because those who are not on the committee have had very little time to read the record. How many men does the subcommittee figure will have to be discharged from the rolls during the month of February in case the bill as reported by the committee shall pass?

Mr. ADAMS. None.

Mr. BORAH. How many will it be necessary to discharge in March?

Mr. ADAMS. None.

Mr. BORAH. Will it be necessary to discharge any between now and February?

Mr. ADAMS. It will not be.

Mr. BORAH. Would there be any difference in the number if the joint resolution carried \$875,000,000 and should be passed in that form?

Mr. ADAMS. There might be a difference, but what we have done, I will say to the Senator from Idaho, is to put a strong hand on the Administrator and say that prior to the 1st of April he may not reduce the rolls more than 5 percent. Under the original measure, there was no limitation as to the dismissals. We have endeavored to meet the fear that if a lesser amount were appropriated the Administrator would immediately proceed to throw W. P. A. workers out into the cold and utterly disregard the obligations of the Government by making arbitrary, harsh, and unreasonable dismissals from the rolls, and we have said to him, "That you shall not do."

Mr. BORAH. Does not Colonel Harrington claim that if the joint resolution carrying \$725,000,000 is passed, in order to comply with it he must discharge a certain number of men, say 200,000?

Mr. ADAMS. He cannot do it under the law.

Mr. BORAH. No; the committee is proposing the passage of a measure which would prevent him from doing that.

Mr. ADAMS. Yes.

Mr. BORAH. But why did the committee think it necessary to pass such a law?

Mr. ADAMS. Because we were apprehensive that the colonel might say to us, "You have passed this kind of a law and we are going to show you what the consequences will be; we are going to cut it down to a horizontal limit. You are providing enough money to employ over the period of 4 3/4 months an average of 2,400,000 men, and we are cutting the rolls immediately to 2,400,000, and are going to carry that number straight through to the 1st of July."

We felt that under the conditions existing in the Nation, if we carry practically the full load until the wintertime is over, until the time when agricultural activities begin, until we begin to feel the effects of the activities of the Public Works Administration, until we begin to feel some of the benefits of rearmament, until additional moneys are paid out in unemployment insurance and security benefits, we can safely rely on those things to allow a more rapid decline.

I desire to say to the Senator that the minority report, which was rather hastily gotten up, says that we are going to have to reduce the number on the W. P. A. rolls to slightly over a million. As a matter of fact, the \$725,000,000 carried by the joint resolution will permit the employment in June of over 2,000,000 persons.

Mr. BORAH. Mr. President, when the subcommittee adopted the 5-percent provision, preventing cutting the rolls by more than 5 percent during the winter months, they understood that Colonel Harrington had already claimed that in order to carry out the joint resolution as it was passed by the House for \$725,000,000, he would have to cut down employment at the rate of 200,000 a month?

Mr. ADAMS. That was an arbitrary stepping-down that Colonel Harrington was working out.

Mr. BYRNES. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. I yield.

Mr. BYRNES. I will say to the Senator from Idaho that I offered the amendment. I did it for the reason that I had understood that such a statement was made. I knew that \$725,000,000 would give to the W. P. A. every dollar necessary to care adequately for the unemployed. I did not want the Administrator to take the position that because the Congress had not given him every dollar he wanted he would arbitrarily make a large cut during the winter, at a time when it should not be made, and therefore provided that any administrative cut prior to April 1 should not be more than 5 percent. It is then provided that for the rest of the year the remainder of the fund may be apportioned by the Administrator in his discretion.

I can hand to the Senator a statement showing how the Administrator may apportion the funds, retaining 3,000,000 persons on the rolls until March 1; then, if he wants to reduce the number by 5 percent, or 150,000, he may do so; and at the end of the fiscal year on June 30 he will have on the rolls 2,000,000 persons. I ask the Senator to permit his mind to go back with me and judge whether or not that is fair.

In January a year ago, when snow was on the ground, when 30,000 persons had been discharged by General Motors, the Chrysler plant was closed down, the textile industry of the Nation was closed down, and the farmers were out of work, we had on the rolls only 1,900,000 persons in the dead of winter, in the worst situation we have had since 1933. All that the Administrator would have to do if he should accept the judgment of the Congress as to appropriating \$725,000,000 would be not to remove a soul from the rolls now, but by June 30 to bring the number on the rolls down to 2,000,000 persons, in which event there would still be on the rolls more than were on them back in January 1938, with people out of work, no farmers at work, and conditions as bad as the Senator and I can recall for some time.

I would not want the Administrator to do anything else. The Senator from Idaho knows that I have gone along with these appropriations at times when the Senator himself has wondered whether we were not exceeding the proper amount,

and when everybody else has had some question about the matter. I had no desire to do anything that would prevent the Government from adequately caring for these persons, but if the Senator will look into the record he will see that Colonel Harrington said that 50 percent of the increase in the past few months was from the agricultural sections of the South. When we come down to April the farmers of the South want those agricultural workers back on the farms. If we are going to keep them in the city at \$26 a week working a few hours, how in the world will we ever be able to get one of them back to the farm? This measure only contemplates that in the middle of the summer, on July 1, we shall have on the rolls 2,000,000 persons, a larger number than were on the rolls in January 1938, and I think the Senator will say that that is fair.

Mr. BORAH. By how many would it be necessary to reduce the rolls between now and the 1st of June?

Mr. BYRNES. We would reduce the rolls very easily in this way—

Mr. BORAH. By how many? By one-third of the present number?

Mr. BYRNES. We will reduce the total to 2,000,000; yes.

Mr. BORAH. What does the Senator calculate the present number is?

Mr. BYRNES. It is now 3,000,000. We would reduce it; but the Senator from Idaho knows that we have become progressive in this matter. In January 1938, only 12 months ago, we thought 1,900,000 was a high figure under the terrible conditions then existing. When we appropriated more money, more persons were added. If, instead of \$725,000,000, we should make an appropriation of \$1,500,000,000, more persons would be added, and next year we should have the same fix.

Mr. BORAH. How many persons are now waiting upon applications which have been examined and approved to get on the rolls and are unable to get on them for lack of funds?

Mr. BYRNES. According to the figures furnished to us, there have been designated by State agencies 725,000 persons. There has never been a time in the history of this program when there have not been that many or more, for the reason that being designated by State authority means designated by the welfare agencies of the State. You cannot get a project for your town unless you can show that you have persons on the relief rolls, and if you are the mayor you cannot do so unless you have persons on the rolls. You have to show the number on the relief rolls; but when the welfare agencies certify those persons to W. P. A., they are often turned down because they are incapable of working.

Therefore, when 725,000 persons have been certified by State agents as wanting jobs, it does not mean that those 725,000 persons will ever be given jobs, because they are selected not by W. P. A. but by local officials in the States. When they certify them over to W. P. A., the foreman says, "Why, this man is not a carpenter capable of working. We cannot give him work," and the man stays in the number of 725,000. The W. P. A. cannot employ him. Even if the \$875,000,000 which was requested should be appropriated, that would not mean that the 725,000 would be employed.

Mr. BORAH. No; that is the objection to the whole thing. We are not proposing to take care of hundreds of thousands of persons who are just as much in need of protection as those on the rolls.

Mr. BYRNES. Of course, this is true, because I have had occasion to go into it with the figures. The figures show that the direct relief rolls of the Nation have been greatly reduced during the past 6 months—that means the relief rolls of cities and counties—and they have been put on the rolls certified to W. P. A. That has lessened the burden upon local governments; and, of course, those on direct relief are taken care of by local governments. They are not taken care of by the W. P. A.

Mr. BORAH. The Senator will agree with me, I think, although he has given far more study to the matter than I have, that there are hundreds of thousands of persons who

are in distress who are not being taken care of either by the local people or by the W. P. A.

Mr. BYRNES. I will agree that that is true. Of course, there is not any question about the contention that by unemployment compensation funds we have not taken care of persons who are entitled to it. We know that we have not done so. Of course, it is a big subject; but, according to the percentage rule, we have not taken care of them to the extent that we should have. Beginning January 1, 23 States have gone into unemployment insurance. They are going to take care of a larger number of persons as a result of 23 States paying unemployment insurance. The other agencies of the Government have been carrying a burden. I agree that there are some persons in the country who have not been taken care of; but if they are certified to the W. P. A. in many instances they will not be given jobs, because they cannot do the work that is required. There is a vast difference in the expenditure, because a thousand dollars a year will give a man a job on W. P. A., while an average of \$400 a year is paid for direct relief by States, counties, and cities.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator from South Carolina just stated that the number of 725,000 persons who are on the relief roll, who are not yet employed, in part grows out of the effort of local communities to get rid of that burden. It does not relieve a local community for a man to be put on the relief rolls and then not get a job. He is still out of work, just as much so as if he had not been put on the relief rolls.

Mr. BYRNES. If he is certified to W. P. A. and paid a thousand dollars a year, on the average now the local governments put up 17 percent and the Federal Government puts up the rest; but if he is certified as entitled to relief by the local government, and he does not get a job, the city and State certifying him look after him. You may go into the city of Detroit, for example, and see the amount of money they levy in special taxes, and they do take care of such persons. They do not take care of them with the character of relief furnished by W. P. A.; they do not get jobs, but they do get direct relief. They have been determined by the local government to be entitled to relief, and, once determined as entitled to relief, the local government must help them.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. ADAMS. I yield.

Mr. BARKLEY. A while ago the Senator from Colorado said that it would not be necessary for Colonel Harrington, of the W. P. A., to remove anyone from the rolls during February and March.

Mr. ADAMS. That is correct.

Mr. BARKLEY. Assuming they do not remove anyone, 3,000,000 employees at \$61 apiece during those 2 months, amounting to \$183,000,000 a month, means that during February and March \$366,000,000 of the \$725,000,000 would be spent.

Mr. ADAMS. Let me call the Senator's attention to the fact that he is making the same error Colonel Harrington made.

Mr. BARKLEY. I want to find out first whether he made an error.

Mr. ADAMS. The Senator is talking about the period from the 1st of February. They have money to take care of part of that time, at least until the 7th of February, and of the 3,000,000 men about whom he is talking, the pay of 90,000 is already taken care of.

Mr. BARKLEY. Assuming the Senator to be correct that Colonel Harrington made a mistake, and that sufficient money was allocated, earmarked, and put off to the side to carry these special projects up to the 1st day of March, I do not know whether or not that automatically reduces the amount that is available for others. I do not know enough about this alleged mistake to concede that or to understand it, but if there are 3,000,000 on the roll now at \$61, that

amounts to \$183,000,000 a month, and for 2 months it would be \$366,000,000. That is more than half of the entire \$725,000,000. That would leave \$359,000,000 for April, May, and June, which would be an average of \$119,000,000 for those months.

We have either to take an unusual number of people off the rolls, beginning with the 1st day of April, in order to reduce the number of men to correspond to the amount of money available, or we have to go ahead and spend more than a monthly proportion all during April, and then at some point later on strike off probably half of them.

Mr. ADAMS. If the Senator will permit me, in the first place, let us get the figures correct. From February 7 to the 1st of March there will not be 3,000,000 people to take care of. There will be, at the maximum, 2,910,000. That is, we have 90,000 to take off. We pay them \$61 a month, so \$133,000,000 will be required to take care of the relief roll up until the 1st of March. Then from March 1 to March 7 we will be taking care of 3,000,000, which will require \$45,000,000. Then we start at March 7 and run to April 1, and we will have 2,900,000 on the rolls. That would mean a slight reduction and would require \$132,000,000. We would have consumed up until the 1st of April \$310,000,000 and we would have a balance of \$415,000,000.

Then, taking round figures, if we drop the relief rolls in April by 350,000, we can care for them for \$155,000,000. If we drop from then on another 300,000, we can care for them for \$135,000,000. Then if we drop 200,000 in June, we can care for them for \$123,000,000, which makes an aggregate of \$725,000,000 and leaves the lowest point 2,023,000, without any very drastic reductions.

Let me give another figure, as to reductions which have taken place in previous years. I am among those who believe that the program which has been worked out by the administration is a successful one and is moving forward rather than backward. I have been persuaded that when we appropriate nearly \$1,000,000,000 for the Public Works Administration for the purpose of putting people to work, some people are going to be put to work.

The \$900,000,000 that went to the Public Works Administration has resulted in the letting of contracts by the 1st of January to the extent of one and one-half billion dollars. All Senators know, because of the pressure for projects in their communities, that the whole amount had to be included in contracts by the 1st of January.

Witnesses before the committee told us that every man put directly to work under the Public Works Administration would result in putting to work three and a half men indirectly. That was the argument for the Public Works Administration, that while we did not directly employ the men on relief because we provided for the work being done by contract, when we spent the money, every man who went on directly would ultimately result, from the chain of economic processes, in putting three and half men to work.

I am one of those who believe that the spending of that vast sum will reduce the army of unemployed who are in need. Then there is unemployment insurance, which we did not previously have. The State of New York paid out \$87,000,000 last year, and other States accordingly. There have been old-age pension lists. In my State we pay down to the age of 60 years. There have been social-security benefits. There has been an upraise in economic conditions.

In 1936, from February to July, 786,000 went off the relief rolls. In 1937, from February to July, 576,000 went off the relief rolls. I am one of those who think that we have a right to consider what happened in those years, and if 786,000 went off the rolls in 1936, and 576,000 went off in 1937, we have a right to anticipate a corresponding or a greater natural reduction, on account of reemployment in private industry, in 1939.

How many does Colonel Harrington figure? He starts with 3,000,000. We all start from the same point. The 750,000 are not included in either computation. We start with 3,000,000 on the first of January, and the question is, How many will have to go off the rolls? The same 750,000,

or whatever it may be, remains in either case. Colonel Harrington computed that the relief rolls would drop only 300,000 in 6 months. I am unwilling to concede that in 6 months, under the conditions which exist, we will have a normal reduction of only 300,000 in the relief rolls.

Mr. GILLETTE. Mr. President—

The PRESIDING OFFICER (Mr. CLARK of Idaho in the chair). Does the Senator from Colorado yield to the Senator from Iowa?

Mr. ADAMS. Gladly.

Mr. GILLETTE. The able Senator has directed the attention of the Senate to an astounding discrepancy in the evidence of Colonel Harrington before the subcommittee as to funds he would have available as unobligated balances, and the Treasury statement as of December 31 last, and the statement from the President on the 16th of this month, an astonishing difference of figures of approximately \$200,000,000. The President's statement was laid on our desks on the 16th of January. I note that the committee held meetings up to the 18th. Was there any attempt to elicit from Colonel Harrington an explanation of this discrepancy?

Mr. ADAMS. We asked Colonel Harrington for his figures and we got his figures.

Mr. GILLETTE. If the Senator will permit me, I think every Senator is intensely interested in knowing the amount of funds available at the present time.

Mr. ADAMS. The matter did not come to my attention until I began to study Colonel Harrington's testimony after it was put in print. It is when the hearings are printed that we sit down and go into the evidence in detail, and that is when we go back and take the published statements. The report of the President came to our desks subsequent to Colonel Harrington's testimony.

Mr. GILLETTE. Then there was no opportunity to attempt to reconcile those figures after the difference was discovered to be in the amount I have stated?

Mr. ADAMS. No. The Senator knows that every day these statements are laid on our desks.

Mr. GILLETTE. Yes.

Mr. ADAMS. And there are quite a few days when neither the Senator nor I read them with care.

Mr. GILLETTE. The Senate is now in the position of having no information before it, elicited by the subcommittee, as to what funds are actually unexpended at the present time.

Mr. ADAMS. It seemed to the members of the committee that we ought to have been told with the utmost frankness, fairness, and fullness.

Mr. GILLETTE. I agree with the Senator. I am not criticizing the committee, but I am anxiously seeking information.

Mr. ADAMS. What I am saying definitely, of course, is that by Colonel Harrington's own testimony, conceding that he overlooked a double computation of expense for 7 days, and, in my own judgment, for 14 days, according to his own statement, we have more money, some \$56,000,000 more, than he thought we had.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. VANDENBERG. If I understand the theory of the text of the bill as reported from the committee, regardless of who is right or wrong in the prospectus, if there is any subsequent failure of funds, the President is invited to identify the emergency, and he is virtually invited to come back and get whatever is necessary to meet the emergency. It seems to me that if anyone cannot accept that much of an economy program he had better quit talking about economy at all.

Mr. ADAMS. Of course, that was in the minds of the majority of the subcommittee and of the full committee, that we were using our best judgment, and we were saying that if we make a mistake, we will be here until the mistake will be made obvious, and certainly the Congress of the United States will not fail in its duty to the needy people. We never have failed, and it is not wise, in the face of present economic, national, financial conditions to guess that

the worst would happen rather than that the best would happen.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. ADAMS. I am glad to yield.

Mr. NEELY. Early in the Senator's address he made some observations concerning the credit of the United States Government.

Mr. ADAMS. I may interject there that the credit of the United States Government is the best credit of any nation, any individual, or any corporation in this world today.

Mr. NEELY. Let me thank the Senator for that comforting statement. May I now inquire of the Senator whether I am correct in concluding from his remarks this morning that he believes the unusual spending program of this administration has in any degree impaired the Government's credit?

Mr. ADAMS. It is obvious, I will say in answer to the Senator's question, that the immediate credit has not been impaired. However, there is another aspect which perhaps we had better look into. We are here representing the people of the United States partly in States, partly nationally. The credit of the United States has been used since we have been here to an extent that we have increased our indebtedness something over \$20,000,000,000. I do not know the exact figures, but that is a rough estimate. I know that across the Appropriations Committee table, since I have been sitting there for 6 years, appropriations have been made of \$55,000,000,000, all of which has to be paid for sooner or later by the workers in the United States. In the end it all comes from the men and women who work, who toil. And I am merely saying that we had better study the matter.

We started on an industrial upgrade. Employment was increasing, and we were very hopeful that we were at the end of the depression. The Senator will remember very well in 1935 when the \$4,800,000,000 relief bill came before us we were told in the committee and we were told on the floor of the Senate that if we voted for the bill, if we put into effect the security wage, the backbone of the depression would be broken and there would be no occasion to come back for additional relief appropriations. I know there were some Senators on the floor who voted for the bill believing that that would be its effect. I tried at that time to strike a little lower scale. I thought Senators who believed in the claim made with respect to the effect of the passage of the bill, were unduly optimistic.

Mr. President, we have now found industrial production disappointing to us. We have found the amount of unemployment a disappointing thing. Some people say to us that there is apprehension because of the growing indebtedness. What is the situation in the banks? There is a lack of demand for loans for industrial purposes today. The banks with greatly accumulating funds are seeking to have some small return and they are eager buyers of Government bonds. There has been a great demand for Government bonds because of their marketability. But what is in my mind is whether or not the increased indebtedness, due to the increased spending, may have led some people to be uneasy and to hesitate to invest. The difference between prosperity and adversity depends on the state of mind of the businessman of the Nation. If the businessman thinks that things are going to get worse, then his only interest is to save what he has. He seeks to put it into Government securities or to put it into the banks. He does not try to invest it to make his money earn a return, but merely to save it. If, on the other hand, he thinks that conditions are going to improve, if he thinks there is a chance to make a profit by investing his money in developing business and industry, then instead of money going into the banks it will go into active investments. What I am interested in is the mental attitude of the people of America and their viewpoint of the Congress of the United States. If they believe that Congress is interested in establishing sound and safe conditions, that Congress is studying the problem of expenditures and that Congress means to be considerate of the taxpayer, the American people

will invest their money in industry and people will be employed in industry and manufacture and in making use of the great natural resources of the land.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. ADAMS. Gladly.

Mr. NEELY. I inquire whether the Senator believes that the Government's credit would be endangered by the appropriation of the sum of \$875,000,000 requested for the Works Progress Administration.

Mr. ADAMS. I will say to the Senator that I am interested, as I have tried to explain to him, in the mental attitude of the people. If the people find that the Congress is careless of their funds and is spending more than is necessary, uneasiness and apprehension is awakened. On the other hand, if the people think that the Congress is being careful and is scrutinizing its expenditures, you have a different turn of mind. My concern is not based solely on the \$150,000,000, I will say to the Senator from West Virginia. It has to do with the effect that the needless appropriation of an excess amount has upon the thinking persons among the American people. I do not mean that \$150,000,000 is not a big amount. Senators will find that it is if they try to raise that amount through taxes.

Mr. NEELY. Is it not true that in spite of the fact that this administration has increased the public debt by approximately \$20,000,000,000, as the Senator has charged, and for reasons which we all understand, the Government's credit is nevertheless better today than it ever has been at any other time in the history of the Nation?

Mr. ADAMS. I just made that statement to the Senator, but I will say further, if I may, that I am not anxious to have the Government go on to see just how long that good credit can last. I do not want to have us experiment to see how close we can get to the edge of the falls before we go over.

Mr. NEELY. Mr. President, as long as the Government's credit is ceaselessly and persistently increasing, there certainly is no danger of our going over the financial falls. Let me invite the Senator's attention to some facts which I have just verified—

Mr. ADAMS. No; the Senator does not have to verify what he says to me.

Mr. NEELY. I thank the Senator and wholeheartedly return the compliment. The last three issues of short-time Treasury notes aggregate approximately \$300,000,000. What interest or return does the Senator suppose the holders of these securities receive?

Mr. ADAMS. I will say to the Senator that they get practically nothing for them. They are trying to save their money, and they are merely using the Government as the custodian for their money. That is all. Rather than pay the cost of keeping their money elsewhere, they are buying these short-term securities at practically no interest.

Mr. NEELY. The rate of return is about a fiftieth of 1 percent.

Mr. ADAMS. Yes; no return.

Mr. NEELY. Mr. President, in order that the relative credit of the Government before and after the administration spent \$20,000,000,000 for necessary relief may be shown by the RECORD, I entreat the Senator's indulgence for a few additional moments. On June 30, 1932, the average return on all outstanding Government securities was 3.55 percent. On June 30, 1933—when the administration's spending program was under way—the return on Government securities, because of increased confidence in their value, had declined to 3.35 percent. On December 31, 1938, because of still greater confidence in the value of the Government's securities, the return on Government obligations averaged only 2.58 percent.

Today's Wall Street Journal—the country's greatest financial publication—shows that United States Treasury notes are now selling on the following return basis: The notes designated as "C40," which bear interest at the rate of 1½ percent and become due December 15, 1940, yesterday sold for 102.24. The return on these notes at this price is 0.01 percent.

The securities designated as "A41," which bear 1½ percent interest and become due March 15, 1941, sold for 102.25. The return on them at this price is 0.16 percent.

The highest rate of return on any of the Government securities listed under the heading United States Treasury notes is eighty-two one-hundredths of 1 percent. The facts and figures do not indicate that the Government's credit has been impaired or that the people believe it will be impaired by the Roosevelt administration.

Mr. ADAMS. I wish to ask the Senator from West Virginia a question. Does the Senator think that the credit of the United States would continue as good as that regardless of how it may continue to borrow and spend?

Mr. NEELY. Mr. President, of course there is a limit beyond which spending cannot safely go. However, as long as spending is necessary to prevent starvation or other great suffering and the credit of the Government continues to improve in direct proportion to the degree in which we appropriate funds to provide for the unemployed, the danger line will not be reached. Indeed, it will not even be approached.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HATCH. I merely rise to ask the Senator from Colorado a question in connection with the statement made by the Senator from West Virginia. Of course, we all agree that the credit of the United States is good and not impaired. Do not the figures which the Senator from West Virginia has given rather bear out the very thought the Senator from Colorado was expounding just a moment ago; that is, the unwillingness to invest in private industry and to take chances to make profits generally? Do not the figures sustain the Senator's position?

Mr. ADAMS. That is my theory. I will say to the Senator from New Mexico that I think that such a situation is a dangerous sign. It means that private industry is not borrowing; in other words, that there is no call for money. We have excess reserves piling up in the banks and in the Federal Reserve, beyond what they have ever been. Idle money is not a sign of good times.

Mr. NEELY. Mr. President, will the Senator yield once more?

Mr. ADAMS. I shall be glad to.

Mr. NEELY. In response to the observation of the able Senator from New Mexico, as well as the pertinent and always interesting remarks of the eminent Senator from Colorado, let me admit that I would concur in the opinions they have expressed, to the effect that the low return on Government bonds might indicate unwillingness on the part of the people to invest in private enterprise, were it not for the fact that not only Americans but Europeans are buying the securities of private corporations of this country on a return basis comparable to the return on our Government notes and bonds.

The return on investments in the securities of American Telephone & Telegraph Co., General Motors, Eastman Kodak, American Can, and all the other great corporations has steadily declined since March 1933 just as the return on Government bonds has declined. The explanation lies in the fact that under the Roosevelt administration the people once more have absolute confidence in their Government, and are consequently willing to invest or lend their money for the lowest compensation in the history of finance.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Illinois.

Mr. LEWIS. The Senator from Colorado has generously, and in my judgment very wisely, announced to America that the credit of this country concededly exceeds that of any other country in the world. The Senator called attention to the situation of our loans and our indebtedness. Will not the able Senator in that connection add to the confidence of his country by saying that our indebtedness is to ourselves, neither to foreign countries nor to foreign financial institutions, but wholly to American citizens?

Mr. ADAMS. Of course, it is an advantageous thing to have the indebtedness, when it is paid, paid at home. The

situation indicates just what we have been arguing, that there is a vast accumulation of idle money which cannot find profitable employment elsewhere in this country, and which is taking recourse to Government bonds at a minimum return for the sake of safety rather than return.

Mr. LEWIS. I fear the Senator did not quite comprehend my interrogation, which, no doubt, was due to my ill manner of stating it.

Mr. ADAMS. That never happens.

Mr. LEWIS. I thank the Senator from Colorado for his generous estimate of my abilities. However, let me say that I desire to have an additional expression from the Senator from Colorado as the result of his splendid and complete investigation of the financial status of this country, which owes indebtedness to the extent he has described, and whose credit is strong, as he has also set forth. Will he not add, as aiding the confidence of the American people in their country, that the indebtedness of America, as described by him, is an indebtedness to its own people and not an indebtedness to any foreign nation or to the financial institutions of any foreign country?

Mr. ADAMS. I assume that to be true. However, from the standpoint of the Federal Government as an organization, the same amount of money must be raised by taxation to pay the debts regardless of the parties, individuals, or localities to which it must be paid. Of course, the consequences to the holders of the bonds are quite different.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. VANDENBERG. Of course, there is as yet no question about the credit of the United States. However, the present President of the United States, Mr. Roosevelt, on March 10, 1933, warned us against an accumulated deficit spending up to that point of only \$5,000,000,000 in the following language:

For 3 long years the Federal Government has been on the road toward bankruptcy.

If Mr. Roosevelt was entitled to assert that warning to the country on the basis of a \$5,000,000,000 accumulated deficit in 1933, is not the Senator from Colorado at least entitled to suggest that we should be concerned in the presence of an accumulated deficit of \$24,000,000,000?

Mr. ADAMS. I will say to the Senator that I think I am entitled to make comments, but not based upon what somebody else may have said. I am not founding my conclusions upon what someone may have said, whether he be the President of the United States or anyone else. I have merely made my observations on the financial situation. I am among those who are disturbed.

Let me add another observation. My study of the depression which came in 1929, 1930 and 1931 leads me to the conclusion that the greatest contributing factor was the accumulation of individual and corporate indebtedness. Individuals were buying beyond their ability to pay. Installment purchases were running to a high point throughout the land. Corporations were expanding their business and issuing bonds. Stock was issued, and we had an inflated situation largely of private and corporate indebtedness.

The President of the United States in a recent message has pointed out that the aggregate indebtedness of the people and of the Nation has not increased. The people of the United States owe less money. The corporations owe less money. The banks are sounder, thinks the administration. However, I see a danger. Perhaps our credit would not be impaired by an indebtedness of fifty, sixty, seventy, or one hundred billion dollars. I do not know the point at which it would be impaired. No one knows the point. No one knows the time. However, there is a point at which and a time when credit is impaired.

I do not want to see my country and the Congress of the United States experimenting to find out where that point is. We have credit now. Let us encourage industry. Let us encourage the workman. Let us encourage the farmer. Let us spend every cent that is necessary to take care of the needy. The joint resolution as it comes from the House

provides every nickel that is necessary and ought to be appropriated at this time for relief.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. McKELLAR. I merely want to ask the Senator if the committee did not—as I recall, unanimously—undertake to take politics out of relief as far as it could? I was surprised that my distinguished and able friend from Michigan [Mr. VANDENBERG] should attempt to inject politics into the question.

Mr. VANDENBERG. When I quote President Roosevelt, if that is politics, make the most of it.

Mr. McKELLAR. I know the Senator is willing to do that. It is politics.

Mr. ADAMS. I shall not discuss politics. I have never done so since I have been in this body.

Mr. President, what I have said largely covers the outline of what I wanted to say. The subcommittee gave careful attention to the situation. We studied the House hearings. It is not the fact, as is suggested in some quarters, that the figures of the subcommittee is based merely upon conjecture and is without any basis. The subcommittee has great regard for the Appropriations Committee of the House. They are a hard-working, studious, intelligent, well-informed group. The House of Representatives, perhaps more easily swayed by pressure from outside than this body, has concurred by a substantial majority, in the figures in the joint resolution as it comes to us from the House.

The Senate subcommittee heard Colonel Harrington. It then studied the records and concluded, not without reason, not without thought, not without study of the statistics, that the appropriation of \$725,000,000 is entirely adequate to meet the obligations all over the country, and that none of the perils or threats or dangers which have been prophesied will follow from keeping the appropriation at this point.

We have included three other provisions in the joint resolution. One prohibits politics in the W. P. A., although that is a trifle at this time; we have limited the number that may be removed from the rolls in order to still the apprehension and the fear lest people be thrown out in the streets in winter; and we have pointed out clearly, though it may not be necessary, to the President and to the people that if the appropriation is not adequate the Congress will be here and will be willing and ready to add such sum of money as may be needed.

It seems to me that there is a lack of real understanding of what the Appropriations Committee has tried to do. Throughout the country charges are being made that the joint resolution as reported represents an effort to starve people, to freeze people. It is an effort to do two things which must go together. One is to care for the needy in the land up to the extent that we should, and the other is not to be regardless of the financial consequences to our country.

Let me add one suggestion which indicates the attitude of the majority of the committee. We have been paying a security wage. That policy was determined by the administration. We are paying \$52.50 on the average to those on relief. We are expending roughly \$2 per month per man for administrative expenses. We have fixed \$7 per month per man as a limit for material costs. I asked Colonel Harrington the other day this question, "Colonel, here you have a group of 3,000,000 or 2,900,000 to whom you are paying \$52.50 a month; you have another group to whom you are paying nothing. Do you not think it would be reasonable to scale down a trifle the amount you are paying to one group in order to meet the necessities of the other group?" The colonel takes the position that that should not be done. He draws a sharp line and says that he is going to pay everybody on relief \$52.50 on the average, and if a man does not get on relief he can starve.

As a practical matter, if there should be taken \$1 per man off the money which is being spent for material, we could take care of 50,000 more people, and if \$2 should be taken off the \$7 being spent for material we could take care of 100,000 more people. Is there any reason why the Federal

Government cannot say to the States and to the localities, "You should contribute"? In the last year what has been done in the matter of local contributions? It will be remembered that two sessions ago an effort was made to require the local communities to put up 25 percent. That effort was defeated on the floor of the Senate. It was defeated, why? Because it was said to us that the contributions of the local communities had already reached more than 23 percent, and there was not any occasion for the action then proposed. The local contributions did reach 23 percent. However, in some of the great States and large cities the contribution was much less than that. The greatest State in the Union last year contributed 11 percent, while other States were contributing up to 30 percent. But the local contributions of the local sponsors in the last year declined from 23 percent to 17 percent. If we foot that and ask the local communities to increase their contribution a little for materials, we could very easily meet some of these added obligations.

It seems to me to be a cruel and harsh rule simply to say that to nine people we will give \$52.50 a month, the money only covering the nine, and the tenth man who is in equal need will get nothing unless the Congress appropriates another \$52.50 a month for him; we will not divide it. Yet that is the attitude of the Works Progress Administration. They are unwilling to make any concession. They take the \$61 figure as if it were as sacred as the laws of the Medes and Persians, as if it were the Ark of the Covenant. They fixed it. I wonder if they might not, in a period of distress, be willing to cut a dollar off it or even \$2 and feed another 100,000 people? It seems to me that we have met with a very harsh bureaucratic attitude in this matter. I say to the Senate that, without that consideration, there is money enough in the bill, and, with that consideration, it is more than adequate.

Mr. BONE. Mr. President—

Mr. ADAMS. I yield to the Senator from Washington.

Mr. BONE. The figures that were called to my attention at the time the report of the Senate Appropriations Committee was printed indicate that Colonel Harrington, drawing on what he referred to as United States Treasury Department sources for information, as of December 31, 1938, had \$180,000,000 available for W. P. A. That, it seems to me, would be very easily absorbed by operations in the month of January. If the contemplated cut is made, I want to call the attention of the Senator to what might happen in my State. I am assuming that \$180,000,000 are available; but suppose there is available another \$180,000,000; that does not detract from the force and effect of this cut on the total employment in the United States. Take, for instance, my own State. My files are full of letters from mayors and other public officials there indicating a deplorable condition, and I think it is similar to that existing in practically every other State in the Union. The State of Washington is no exception; it is not sui generis; it is like most other American States.

There were, as of December 31, 1938, 53,300 people on our relief rolls, the W. P. A. rolls, in the State. If this cut should be sustained—and I am assuming that it will be cushioned somewhat by the presence of additional money which the Senator has suggested—there will still be presented a rather ghastly picture at the end of June; 35,000 human beings will be stricken from the W. P. A. rolls in my State, leaving a little over 18,000 people on the rolls.

I do not want to burden the RECORD—

Mr. ADAMS. Where does the Senator get those figures? Has the Senator verified them?

Mr. BONE. They are from the report of the mayors who are very much interested in this matter, but, if the Senator desires me to do so, I can give him some other figures.

Mr. ADAMS. I am familiar with the tabulation the mayors presented.

Mr. BONE. I wish to call attention, then, to something a little more specific.

Mr. ADAMS. Before the Senator passes from that, I may say, in connection with the tabulation to which he has re-

ferred, that I do not think that the Senator's statement is altogether borne out by the facts. The pending measure does not cut down the amount that is going to be contributed to take care of the 53,000. The question is whether we shall appropriate \$725,000,000 or \$875,000,000. The difference is 17 percent, and yet the mayor of the Senator's city has figured that the proposed reduction would cause a drop in the number on the rolls from 53,000 to 18,000. That is away beyond anything that could naturally happen.

Mr. BONE. That figure results from keeping a larger number of men on the rolls in the months of February and March.

Mr. ADAMS. The largest cut anybody contemplates is 33 1/3 percent, and we expect those men to go back to work, and there certainly is going to be work in the State of Washington.

Mr. BONE. Let me say to the Senator that in the United States Senate, in 1937 and again in 1938, I made an effort to secure more W. P. A. funds, as the Senator from Colorado knows. Upon at least one occasion I made that fight alone. I was astonished to find W. P. A. officials stating, as it was gently suggested to me by the Senator from Colorado, they had stated in their own statements before the committee that they had ample funds, when I was standing here protesting that they would not have enough money; but my protest was borne out afterward by cold, hard facts.

Now we have the W. P. A. asserting to us that they will not have enough money. I am glad they have gotten around to a recognition of what they are facing.

Mr. ADAMS. They are accepting the normal bureaucratic viewpoint.

Mr. BONE. I do not care why they say it or do it; I know they are dealing with human misery; and whether we like it or not, we have got to face it.

Mr. ADAMS. And we are appropriating, at the minimum, nearly two and a half billion dollars.

Mr. BONE. Well, we will not be so thin-skinned a little later when we get around to appropriating for the benefit of private shipbuilders over \$100,000,000 for building a battleship which a few years ago cost twenty-six and a half million dollars. I hope no one will rise in this body and suggest that that is the standard of patriotism—that we give the Bethlehem Steel outfit, or someone else, \$110,000,000 or \$115,000,000 for a battleship that we used to build a few years ago for less than \$30,000,000.

But let me call the Senator's attention to a telegram I have from the State administrator of W. P. A. in my State, who is a very able, honest, and intelligent official. He says:

The State department of social security is providing all the way from \$3.40 to \$5.60 per month per person for those persons who have been certified to W. P. A. and who have not been assigned. In addition, where possible, a small amount of surplus commodities and clothing is given.

That is a fine, cheerful picture for the fellow who has been certified but who can find no place in W. P. A. right now and cannot get a job. What is he going to do?

Mr. ADAMS. From \$3 to \$5 is being paid in the State of Washington?

Mr. BONE. Right now, with the funds available. That is what the State is able to do with the tax budget it has set up.

The telegram continues:

The employment of the W. P. A. in Washington State on December 1 was 53,500, and our employment for the month of January, 43,500. There are at the present time 16,872 people certified as in need and whom we have been unable to assign or whom we have released because of quota reduction. All of the certifications have been made since September 1, 1938. In addition, the State department has made no attempt since the fore part of December to make certifications, since they felt that, in view of the W. P. A. reduced employment, it would serve no purpose. * * * We see no immediate prospect of an increase in private employment. The result of the above is that there now is and will continue to be a great deal of hardship and suffering among people who are in need in the State of Washington unless additional funds are provided to give employment to these people.

I think I should be a poor representative of my State if I did not bring that condition to the attention of my brethren

in the Senate, and make an effort, as a Member of this body, to secure adequate funds to take care of those people who, through no fault of their own, are out of work, and cannot find work. It is no answer to them to say that we cannot afford to appropriate the money. Economic necessity knows no law. They are not going to be thin-skinned in complaining, and I should not blame them. In fact, I should reproach them if they were thin-skinned about complaining.

The point I want again to stress is that I was shocked to find W. P. A. officials coming down here and telling the committee that they had ample funds, and then coming down later and painting a doleful picture about their inability to care for people. I had that flung in my teeth twice, and I do not like it. The officials ought to be perfectly candid, and tell us the condition that exists; but they have not always been candid, I suppose because they felt the pressure on them to save as much as possible. On the other hand, I felt in my heart that they would run into this problem when the flood trouble occurred down the Ohio Valley. Anyone with the faintest adumbration of intelligence knew there would be a difficult problem confronting the relief authorities in that connection, and yet we could not even get an additional amount of money here for that purpose. Later, however, we confronted a hideous ghost of hunger and misery and wretchedness, and apparently were unable at that time to do anything about it. We have our opportunity right now to make money available. The difference between the amounts of money suggested here is too small to quarrel or dispute about. I think it is unworthy of us to do it.

Mr. ADAMS. Mr. President, I gather from the statement of the Senator from Washington that his State is providing from \$3 to \$5 per individual that the State is caring for, and that the authorities of the State are very much dissatisfied that we are putting up only \$61 per person.

Mr. BONE. That is for some form of direct relief. I merely read the telegram from Mr. Abel, giving the Senator the benefit of that information.

Mr. ADAMS. The Legislature of the State of Washington is in session?

Mr. BONE. It is in session now.

Mr. ADAMS. Would it not be a good idea to telegraph them to make some added appropriation for their people?

Mr. BONE. I will say to the Senator that they are fully advised as to the needs there; but the State of Washington, like every other State in the Union, has had a very serious tax problem confronting it. That is one of the reasons why I supported here the measures that I did support relative to contributions by the local governments for W. P. A., because most of them just could not "take it"; that is all.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I should like to ask the Senator from Washington whether he thinks the United States Government has a serious tax problem confronting it.

Mr. BONE. To be sure, it has; of course it has; but these people are not responsible for the condition which has been thrust upon them. They are not the architects of their own misery. We had all the smart boys running business in this country, and they had a free hand for years. If there is anything in the economic system which they set up that would have protected these people, God knows they had years and years in which to entrench the thing to a point where it would not topple over and bring distress to these people.

I am not going to thresh all that old straw over again; but these people were catapulted into this condition. It is not of their creation; and, for one, I am going to do my part as a Senator by voting in this body to provide funds for these people until somehow they can attach themselves again to a private pay roll. I believe that if a man cannot get work, we ought not to expect him to starve in a land capable of producing the wealth that this country can produce. I do not think that is anything but good American doctrine.

Mr. ADAMS. Mr. President, just one comment. In a State legislature within the past few days—it was not in the State of Washington—a resolution was introduced to urge the adoption of the larger amount for this controverted item; and the principal argument made on the floor was that "The thing for us to do is to get all we can from the Federal Government, and that will reduce the amount which the State will have to put up."

Propaganda has gone out from certain sources to the cities and to the States to send in messages and letters and put pressure upon Senators. I speak advisedly, because the mayor of my city received a request to telegraph me and tell me what I should do.

Mr. BONE. Mr. President, may I intrude again on the Senator's time?

Mr. ADAMS. I yield.

Mr. BONE. I presume every Member of this body has been made painfully aware, by experience in his own State, of the existence of vast tracts of land which have been taken over for nonpayment of taxes. I do not know what the law is in other States, but in my State a man does not have to pay taxes for 6 years. So, if he is hard up or out of work, he may refrain from paying taxes on his real estate, and the State cannot foreclose for 6 years; but it has lost that revenue in the interim. When the 6-year term is up foreclosure may ensue.

In my own State—and I know that is true in many other States—vast areas of land have been taken over for nonpayment of taxes, and that source of tax revenue has been lost to the States. In my State and in many other States resort has been had to sales taxes to supplement waning and vanishing revenues from real-estate taxation. I know that there may have crept into State tax system some things that are reprehensible and that bring down the reproach of decent people; but in the main, by and large, the States have run into rather tough sledding. I know that is true of the Senator's State of Colorado, and it is true of almost every other State, and I have never heard Senators say that their own States were recreant. They realize that a serious tax problem confronts the little home owners in the various States.

God knows we have tried to encourage the little fellow in home owning. We do not want taxes screwed up to the ceiling on homes, but we have tried to encourage the little fellow in owning his home. It makes a better citizen of him; and we should not take his home from him by tax liens that are unbearable. God knows these liens are high enough as they are.

So, when the officials of the States tell us that they are at the end of their tether, I am inclined to believe that, in the main, that is true. I think the public officials of my State are a high-minded, purposeful, honorable body of men, and I know they have run into mighty tough sledding in their tax problems. I spent a good many years as counsel for a taxing body, and I know something of the problems they have to confront.

The Federal Government has the ability to touch sources of revenue that a State cannot touch; and, whether we want to do it or not—

Mr. ADAMS. May I ask what those sources of revenue are?

Mr. BONE. Oh, we can touch them now.

Mr. ADAMS. What sources of revenue are they?

Mr. BONE. The Federal income tax is a source of revenue.

Mr. ADAMS. The States levy income taxes of their own.

Mr. BONE. To be sure; but it is a much simpler problem for us to set up a tax system here and make its proceeds available to aid the government of the country as a whole, than it is for individual States to do so.

Mr. ADAMS. May I call the Senator's attention to the fact that the States tax real estate, while the Federal Government has a very difficult problem in reaching real estate?

Mr. BONE. Then, are we to confront the fact that in the year of our Lord one thousand nine hundred and thirty-nine, in the midst of an economic machine that can supply

human needs beyond the wildest dreams of 50 or 100 years ago, we have to admit that we are all bogged down by a frightful condition of poverty, and we cannot do anything about it, and we are rapidly drawing to a condition of inability to tax ourselves?

Mr. ADAMS. I have not made that statement.

Mr. BONE. No; I know the Senator has not.

Mr. ADAMS. The Senator from Washington said the amount in controversy is relatively small. It seems to me that if it is relatively small, it is as small on one side as it is on the other.

Mr. BONE. But I am not admitting that, because in my own rather awkward and unhappy experience in relief matters, twice I was assured that there were ample funds; and then I went home, as the Senator from Colorado went home and other Senators went home, and met this unending demand for relief from persons who, in my judgment, are clearly entitled to it.

Mr. CLARK of Missouri. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. I yield.

Mr. CLARK of Missouri. I will ask the Senator from Colorado if it is not a fact that the experience we are going through with the W. P. A. has been repeated and repeated and repeated.

The W. P. A. was originally established as an emergency activity. Its officials come up here and ask for an appropriation to carry them through the next fiscal year. Then, without any formula or any prescription by the Congress as to how the money shall be spent, how fast it shall be spent, or for what particular objects it shall be spent, they work out their own formula and spend as they please during the first months of the fiscal year.

Under the Constitution, in the absence of a special session, Congress always meets in January. Then the officials of the W. P. A. and the P. W. A. and these other activities turn up with requests for a huge emergency deficiency appropriation, and they say to everybody, "You cannot quibble about this amount. You cannot discuss it. You cannot question it. We will not even tell you how the money has been expended, by what formula it has been expended, or how much we are actually going to carry over. You have to pass this appropriation because it is now wintertime, and you are dealing with human misery. Unless you give us everything we ask for, unless you sign another blank check to permit us to carry on exactly as we please, you are going to throw thousands of persons off the pay roll in the dead of winter." Is not that the experience we have been having year after year?

Mr. ADAMS. I think so; and it has happened to be my lot to be sent up here as the messenger of the Appropriations Committee to present that view.

Mr. CLARK of Missouri. I understand the travail the Senator from Colorado has had. It seems to me that the time has come for Congress to act. I am going to vote for what the Committee on Appropriations has advanced here, but I think Congress ought to make a proper deficiency appropriation of, say, \$250,000,000 or \$300,000,000 or \$350,000,000, and say, "Carry on for the next few months with this. Then come back to Congress for a second deficiency appropriation, if you need it." In the meantime, we will have set up some permanent formula and some permanent machinery for taking the W. P. A. out from under the whims of one man, and will subject it to the will of Congress, as every departmental activity of the Government ought to be.

Mr. ADAMS. Mr. President, I should like to have unanimous consent that we proceed to consider committee amendments first.

Mr. McKELLAR. Before consent is granted, will the Senator agree that we shall begin with section 2? While I have no objection to the amendments in section 1, I think consideration of the amendments to section 1 ought to be left to the last, when all the amendments may be considered together with the amendment which I have already submitted to the Senate, but which has not been offered, to increase the appropriation to \$875,000,000.

Mr. ADAMS. I shall be very glad, if it is agreeable, then, that we proceed with committee amendments as proposed. The Senator's amendment would follow anyway, however, because his amendment is not a committee amendment, and it would come before us after the other amendments had been disposed of.

Mr. McKELLAR. There are some committee amendments which refer to it.

Mr. ADAMS. Will the Senator state just what he proposes?

Mr. McKELLAR. That we begin with the amendments in section 2, and consider the other amendments immediately afterward, fixing the amount.

Mr. CLARK of Missouri. May I inquire what the purpose of that suggestion is?

Mr. McKELLAR. The purpose is merely this, that the amendments in section 1 depend on the amount of the appropriation, and I should like to let them go over until that question is settled.

Mr. BONE. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. Let us get this procedural matter determined first.

Mr. BYRNES. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. Gladly.

Mr. BYRNES. The amendments of the committee to which the Senator from Tennessee refers really are not dependent on the amount.

Mr. McKELLAR. They are not dependent, but they are so interrelated with it that I thought the whole of section 1 ought to go over.

Mr. ADAMS. Could we have a unanimous-consent agreement to proceed with the committee amendments and then decide, after that is agreed to, as to the order in which they may be taken up?

Mr. McKELLAR. Very well, but I should like to begin with section 2. The main difference between us is as to whether the amount should be \$875,000,000 or \$725,000,000, and we might as well determine that matter first.

Mr. BYRNES. If the Senator from Colorado will yield to the Senator from Tennessee, regardless of the amount, the Senator from Tennessee would not object to the provision of the amendment beginning on line 15, page 2, would he? He did not object in the committee. That is the first amendment, which merely provides that there shall be no reduction of more than 5 percent.

Mr. McKELLAR. That is the very amendment which I should like to have go over until I get some more information about it, and if the Senator will let that go over, the rest of the amendments can be taken up and considered, because I am in favor of all of them. But I want these amendments to go over until after the amount is fixed.

Mr. BARKLEY. If the amount should be increased, would the committee still feel that the 5-percent provision ought to be retained?

Mr. BYRNES. Regardless of the amount, I shall insist on that amendment. It would merely mean that the Congress would say that the number on the rolls should not be reduced more than 5 percent. The Senator from Kentucky would be in favor of that. The next provision is that if an emergency arose the President could submit a deficiency estimate, and the Senator from Kentucky and I would agree about that. The third provision is that there shall be an investigation of the rolls to determine whether or not there are persons on them not in actual need. No one has any objection to that. Those are the only three provisions.

Mr. BARKLEY. I am not so certain about the second provision referred to, that the President could come back for a deficiency appropriation. He could do that, of course, anyway. But heretofore the President has never been invited to do it, and I understood that provision to be inserted in connection with the fixing of the amount at \$725,000,000.

Mr. BYRNES. No.

Mr. BARKLEY. I do not know what the result of the vote will be on the amendment of the Senator from Tennessee, but if the amount asked for should be finally adopted, I myself do not see any particular reason for holding out another invitation to the President to come back and ask for some more, which he can do anyway.

Mr. BYRNES. Mr. President, the Senator from Kentucky says it is an invitation, but it is not exactly an invitation. It is a direction, that if the President, in accordance with the power that is vested in him anyway, shall submit a deficiency estimate, he shall at the same time submit the reason constituting the emergency justifying the estimate. That is the difference.

Mr. McKELLAR. I wish to make a suggestion to the Senator, to which I am sure he will agree, that we proceed with the committee amendments, starting with line 17 on page 3, and leave the preceding amendments and the amendment to be offered by me, to remain as they are at present.

Mr. BYRNES. Mr. President, I have no objection to the request of the Senator from Tennessee, as a matter of fact.

Mr. McKELLAR. I did not think the Senator would object.

Mr. BYRNES. I did not think the Senator from Tennessee had any objection to the provisions of that amendment.

Mr. McKELLAR. We may want to change it somewhat.

Mr. BYRNES. In the committee he expressed no opposition to it.

Mr. McKELLAR. That is true; but I am quite sure the Senator would not object to allowing this amendment, which is not of great importance, to go over.

Mr. BYRNES. I have no objection.

Mr. CLARK of Missouri. Mr. President, reserving the right to object, I am going to object to the request of the Senator from Tennessee unless some reason is shown why we should pass over the amendment beginning on line 15, page 2, until some other amendment is disposed of. It seems to me this is a sound proposition to make in the substantive law.

Mr. McKELLAR. If the Senator will bear with me, I think he can determine the reason in a moment. This amendment has in it the following provision:

Provided further, That should there arise an emergency which in the opinion of the President would require the submission of an estimate for an additional appropriation, the President in submitting such estimate shall submit a statement as to the facts constituting such emergency.

I doubt whether that ought to go in, if the Senate votes, as I hope it will vote, for the \$725,000,000 appropriation.

Mr. CLARK of Missouri. Mr. President, if the Senator from Tennessee will indulge me, I think that provision ought to be in the bill, and I think it ought to be in every appropriation bill. The President would have a right to do it, irrespective of the amount. He has the right to do it, but Congress has the right also to require him to submit a statement in connection with it, and I think that, irrespective of the amount, that provision should be included.

Mr. President, I submit a parliamentary inquiry. As I understand, the Senator from Colorado has asked unanimous consent that committee amendments be considered before other amendments are considered. That requires unanimous consent. If I understand the situation, objection to the request—

Mr. McKELLAR. I withdraw my objection. Go ahead.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

Mr. ADAMS. Mr. President, I had another request I desired to submit. We have certain rules which apply to general appropriation bills. They have been adopted from time to time with the idea of protecting appropriation bills from having attached to them riders containing general legislation.

We have before us now a measure which is not classified, perhaps, as a general appropriation bill, but it seems to me it should receive the same treatment, that it should not be open to amendments embodying legislation of a general character. I therefore ask unanimous consent that in the consideration of the pending bill the rules which apply to general appropriation bills may apply.

Mr. LA FOLLETTE. Mr. President, I do not contemplate offering any amendment to the appropriation measure now before us, but in view of the fact that it is of a very general nature, I shall feel constrained to object to the request made by the Senator from Colorado.

The PRESIDING OFFICER. Objection is heard.

Mr. McKELLAR. Mr. President, I was gratified to hear the statement of my distinguished and my very greatly esteemed friend the Senator from Colorado [Mr. ADAMS], when he said, almost at the beginning of his remarks, that there was no proof whatsoever in the record to sustain the \$725,000,000 appropriation.

Mr. ADAMS. Mr. President, if I made such a statement I was very grievously in error. I certainly did not intend to make such a statement, for the reason that I do not regard that as a fact.

Mr. McKELLAR. The Senator said that all the witnesses who testified had testified in favor of the \$875,000,000 appropriation.

Mr. ADAMS. Yes; but the evidence which they presented tends to prove that \$725,000,000 is the proper figure.

Mr. McKELLAR. I misunderstood the Senator if he did not say what I have stated, and I am sorry he did not say it. I think he ought to have said it, because all the testimony was in favor of the \$875,000,000, and no witness testified that in his or her opinion there should be a lesser amount than that under the circumstances.

Mr. President, let us see just exactly what our relief situation is, as shown by the evidence. On the last of December 1938 there were 3,081,000 persons on relief. On the 1st of December 3,350,000 were on relief. While that number was on relief on the 1st of December, 750,000 more had been certified and were eligible for relief, but had never been able to connect with the relief rolls. I hope Senators will listen to these figures. A number of orators are on the floor, and it is difficult to speak while they are speaking.

Mr. LEWIS. Mr. President, Senators who are speaking to one another on the floor are not conscious that they are disturbing the Senator who has the floor. I invite the attention of the eminent chairman of the Judiciary Committee [Mr. ASHURST] and the eminent Senator from Virginia [Mr. GLASS] that the Senator who is now speaking is disturbed by the conversation going on between them.

Mr. GLASS. Mr. President, in order to oblige the Senator from Illinois, the Senator from Virginia will go to the cloak-room.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. McKELLAR. I am glad to yield.

Mr. ASHURST. I do not take any such attitude as my learned friend the Senator from Virginia takes. I stand corrected. I was violating the rules of the Senate. I am sorry I did. I shall not do so again. I was at the moment discussing with the Senator from Virginia the question of the nomination for a judgeship in Tennessee which just came in.

Mr. CLARK of Missouri. Mr. President, where is that judgeship located?

Mr. ASHURST. In Tennessee.

Mr. McKELLAR. I am glad the Senator was discussing it.

Mr. ASHURST. In doing so I had no intention of disturbing the Senator from Tennessee.

Mr. McKELLAR. Mr. President and Senators, bear with me for a few moments while I state the facts as they appear from the testimony adduced before the committee. On the 1st of December 3,350,000 persons were on relief. On that date there were also 750,000 more persons who had applied for relief and had been declared eligible, but had never been put on the relief roll, making 4,100,000 persons eligible for relief at that time. That figure had come down, and on January 1 there were 3,081,000 on relief. What will happen to those 4,100,000 persons on relief or who have applied for relief and who are eligible for relief if the Senate adheres to the figure of \$725,000,000, and that amount is appropriated, as adopted by the other House and recommended by the Senate Appropriations Committee?

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall yield in just a moment. Let me state my case, and then I shall be delighted to yield.

I will tell the Senate what will happen, and this is based on the testimony of Colonel Harrington. I do not agree with the Senator from Colorado in his criticism of Colonel Harrington. It seemed to me that Colonel Harrington was a very careful, prudent, and, I thought, a very truthful and very accurate man. Let us see what would happen according to his testimony. His testimony was that on the 1st of February there would be 3,000,000 persons on relief. Nothing is provided for the 750,000 who have applied and are eligible, but have not been given relief. Nothing is done for the others who have been affected by the reduction from 3,350,000 since the 1st of December. There would be 2,850,000 in March; in April, 2,350,000; in May, 1,650,000. In June, 1,050,000 persons will be on relief if the \$725,000,000 figure is adhered to.

Colonel Harrington testified to these figures. They are perfectly plain. They are so simple that anyone can understand them. It costs \$61 a month for each one on relief. Multiply that figure, and then divide in the manner that the law will direct if the pending measure shall become law, and on June 1 we will have reduced our relief rolls from 4,100,000, including those eligible for relief, but who have never received any, to 1,050,000 persons. In other words, we will reduce the number of our relief workers in this country by 75 percent. That is a long step to take in 6 months. I wish we could take it. Heaven knows I wish we did not have to appropriate one dollar for relief. But we have a situation staring us in the face. Are Senators willing to take three out of every four now on relief or eligible for relief off the relief rolls, as they will be doing when they vote for the \$725,000,000 figure, and reduce the number of those on relief to one in four? That is precisely what the colonel's figures show will be the result. His figures are undenied. They cannot be denied.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ADAMS. The Senator is aware of the fact that the difference between the \$875,000,000 and the \$725,000,000, which is the amount recommended by the committee, is 17 percent. Yet the Senator would have it appear that there would be a reduction of 300 percent in the rolls. It seems to me the Senator can hardly figure a reduction greater than the percentage which the figures themselves would indicate.

Mr. McKELLAR. Mr. President, I never talk about percentages. I never did have a good understanding of percentages.

Mr. ADAMS. I gather that.

Mr. McKELLAR. I have had to pay interest on money which I have borrowed, and I do not like to do that, and I do not know much about percentages. We are dealing with facts, not with percentages. What are the facts? The facts are that in this country today, whether we like it or not, and heaven knows we all dislike it, about 4,000,000 people are eligible for relief. The committee would cut off three out of four persons on relief by June. Is there any Senator in this body who says that in his judgment we can, without injury, discharge three out of four persons on relief now?

Mr. ADAMS. One Senator says there is no such intention, or nothing of that kind contemplated.

Mr. McKELLAR. It does not make any difference what the Senator contemplates or what his intentions are. We are told that the road to a very celebrated community is paved with good intentions. But what are the facts? The facts are indisputable. They cannot be denied. In the neighborhood of 4,000,000 people are on the W. P. A. rolls or are eligible to go on the W. P. A. rolls, and we cannot take out three of every four by next June. I wish to heaven we could. I wish we could stop this relief business right now. But does any Senator want to stop it right now? I believe there are not very many who would be willing to stop it right now. I should like to vote to do that, but we cannot vote to stop relief now. The majority of the committee agreed to the proposal to continue relief when it was agreed that relief should not be lessened during the winter,

and arranged that it shall go on substantially the same in January, and in February, and in March, while the weather is cold. We do not want to be charged with turning people off the rolls while it is cold, and I do not blame members of the committee for the action they took. But sometimes it is cold in April, and hunger in April is as bad as hunger in February or March.

Mr. President, the facts I have stated are incontrovertible. There is no way in the world for those facts to be disputed. We are going to cut this relief work by three-fourths if we carry out the terms of the measure as it now stands.

What is the reason for cutting off persons from the rolls in April, May, and June? The first reason assigned is that the farming season is on then, and that will take a good many persons off relief. It may take some. Another reason assigned is that a great many persons will be employed on P. W. A. projects, and to some extent that is true. A third reason is that many States will increase the old-age benefits and maternity benefits, and aid to dependent children benefits. I hope the States will pass such laws. But are we going to legislate here on a basis of that kind? Are we going to cut down W. P. A. rolls on the basis of what the States may do by way of legislation? I think if we do we will be going a long way, Senators. But even if all those things were true, it would not take up the 750,000 persons eligible for relief, but who are not now on the rolls. I say that because we have had experience. In the year 1936 not much more than one-half million persons were taken off the rolls. In 1937 about the same number were taken off. In 1938 the number was just about the same. Why should we think there would be more in the first 6 months of 1939? If we provided \$875,000,000, we would not be taking care of those who would be entitled to relief under this measure.

Mr. President, let us take the 750,000 who are eligible for relief but are not on the rolls. I shall quote the Administrator. I want to say at this point that I have had considerable experience as a legislator, about the same experience that my good friend the Senator from South Carolina [Mr. BYRNES] has had. I think he and I came to the House during the same session. For the past 28 years both he and I have been in one House of Congress or the other. I think it is safe to say that we shall get very little relief from the action of State legislatures on the relief question. I think we shall get some relief from agriculture, but it will not come anywhere near taking care of the 750,000 who are now trying to get on the rolls. All four of the classifications which were mentioned by the Senator from Colorado [Mr. ADAMS] will not bring the number up to 750,000 unless something very unusual happens between now and June.

What could happen to bring the number up to the desired point? If there should be a very unusual employment in private industry, it might be possible. We do not know the possible extent of such employment. No one can say. Why should we undertake to legislate on relief two or three times at this session?

I take the position that the report of the majority and the joint resolution of the majority, as it was brought to us, show that they do not believe \$725,000,000 will be adequate. Why? They are so afraid of it that in the joint resolution itself they go to the trouble of inviting the President of the United States to declare another emergency. The President has declared this an emergency. He has shown the facts, he has presented the figures, and the committee has turned him down.

It is said that Colonel Harrington does not know what he is talking about. If I recollect aright the argument of my distinguished friend from Colorado [Mr. ADAMS], Colonel Harrington was so inaccurate that he could not be depended upon in this emergency. If we do not take the President's recommendation for this appropriation, how are we going to take it 2 months hence?

This is what the committee says in the joint resolution:

Provided further, That should there arise an emergency which in the opinion of the President would require the submission of an estimate for an additional appropriation, the President in submitting such estimate shall submit a statement as to the facts constituting such emergency.

That is precisely what the President has done in this matter. He has presented the facts, and there are no facts to the contrary.

Not a single, solitary witness testified in support of the figure "\$725,000,000." I was present when the testimony was taken. While literally hundreds of witnesses testified, either directly before the committee or by communications sent to the committee, not one witness testified in support of the figure "\$725,000,000." The mayors of almost every city in this country testified that \$725,000,000 was not sufficient. I shall come to their testimony in a moment.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GLASS. If the Senator is so confident of the accuracy of the testimony of his witnesses, why does he not state that some of them wanted \$1,090,000,000? Why not take that figure?

Mr. McKELLAR. How many testified to that figure?

Mr. GLASS. The mayor of New York testified to that figure. He represented the mayors of the country.

Mr. McKELLAR. I have the testimony before me. My recollection of what Mr. LaGuardia testified is that he was very much in favor of \$875,000,000, and he really believed it ought to be increased to more than \$1,000,000,000.

Mr. GLASS. That is exactly what I say.

Mr. McKELLAR. Surely, then, his testimony could be taken as the testimony of one of those who testified in support of the figure \$875,000,000.

The mayor of Detroit held that it was highly imperative that \$875,000,000 be appropriated.

I wish to call attention to the situation in Cleveland. I note that the distinguished junior Senator from Ohio [Mr. TAFT] is in the Chamber. I want to call his attention to some figures. The Senator does not come from Cleveland. He comes from Cincinnati, but he is interested in Cleveland. What are the facts with respect to Cleveland? In one city in the State of the junior Senator from Ohio, the city of Cleveland, 71,000 men and women are employed on W. P. A., and 16,500 are certified as eligible and cannot receive a cent because the money is not appropriated. I am wondering what the Senators from Ohio will do about aiding their citizens who need relief and who are not now on relief.

What is the situation in St. Louis? I do not see either of the Senators from Missouri present in the Chamber. In St. Louis, 15,741 are on direct relief; 3,886 cases are pending investigation, and 2,000 persons are certified and awaiting assignments, but are unable to obtain them.

Mayor Kelly did not give the figures as to Chicago, but he testified that there ought to be an increase in relief.

In Baltimore, 2,200 persons are certified for relief, but none of them has ever been put on relief.

In Pittsburgh the W. P. A. is laying off men in the face of the existing needs.

In Dallas 6,039 persons now have work, but 1,567 more are awaiting assignments.

In San Francisco the present relief load is greater than that of last year.

In Milwaukee 4,800 persons are certified for W. P. A. employment and are waiting for a chance to work.

In New Orleans 2,735 cases are reported for whom jobs are not available.

Cincinnati, the home town of the junior Senator from Ohio [Mr. TAFT], reports that it is unable to carry the load of relief that it has.

In Newark 25,000 people had been certified, and only about half of them have been assigned.

In Indianapolis 1,273 families could not be assigned work. In Rochester the relief load was climbing steadily, but it was believed that it had not reached its peak.

Louisville reports 6,000 employed and 1,100 awaiting employment on W. P. A.

Portland, Oreg., reports that it is necessary to retain the present quota.

In Atlanta, Ga., 14,763 were employed on W. P. A. and 6,000 were eligible, but were not employed on W. P. A.

In Toledo the outlook for reduction is not encouraging.

In Denver the mayor did not know how they could face the reduction of W. P. A. employment rolls.

Columbus reported that there was no indication at the present writing that would lead to the belief that there would be any material reduction in the number of those who need relief.

St. Paul reports serious difficulty with relief problems.

In Memphis there were 5,700 on the W. P. A. and 2,000 more eligible and certified.

Dayton, Ohio, reports a very serious relief situation.

San Antonio, Tex., expects a serious situation to develop unless the present quotas are maintained.

In Omaha, Nebr., the number actually employed on W. P. A. is 9,375. The number certified but not working is 3,760.

In Grand Rapids more than 500 cases are awaiting assignment.

In Fort Worth a large number of those working have been laid off, and the city's financial situation is alarming.

Oklahoma City reports that the situation is worse than it was last year.

In New Haven it is desired to continue the W. P. A. rolls at the present level.

In Salt Lake City 700 needy heads of families have been deprived of employment because of lack of W. P. A. funds.

In Jacksonville, Fla., in the event of W. P. A. discontinuance, thousands would be without food, shelter, and clothing.

Springfield, Mass., reports that without W. P. A. the city would face an almost impossible financial situation.

Des Moines, with a population of 155,000, has 41,000 persons on relief, or about 26 percent of its population.

In Miami, 4,389 were eligible in December and only 2,603 were employed.

In Spokane unemployment is as heavy as, if not heavier than, it was in 1933.

Trenton reports complete financial inability to meet the need.

In South Bend, Ind., the needy are increasing at the rate of 200 a day.

In Flint, Mich., 2,500 are eligible for W. P. A. employment and cannot obtain it.

Elizabeth, N. J., would be unable to get along without the continuance of relief.

In New Bedford the relief load is increasing. In Knoxville it is stated that it is imperative that W. P. A. be continued. In Reading no curtailment is possible if needs are to be met. Youngstown reports any reduction in W. P. A. employment would be disastrous to its community.

In Erie 900 employees have been dismissed in 2 months.

Norfolk reports that no reductions are possible.

In Schenectady only 50 percent of the employables are on relief.

Lowell is opposed to any reduction. Similar reports come from Evansville, Duluth, Tampa, Waterbury, Somerville, East St. Louis, Rockford, Sacramento, Kenosha, Wis., Topeka, Atlantic City, Columbia, S. C., Racine, Wis., Fresno, Greensboro, Madison, Cedar Rapids, Macon, Amarillo, Jackson, Miss., Waco, Tex., Hazelton, Hagerstown, Long Beach. A group of Wisconsin cities report 14,000 were certified for W. P. A. jobs but were waiting assignment because the W. P. A. quota for Wisconsin was not large enough.

Mr. VANDENBERG. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. My understanding is that the full appropriation for which the Senator contends would only maintain existing rolls. I should judge from the statistics now presented by the Senator that the appropriation for which he contends would be wholly inadequate. Is that the Senator's view?

Mr. McKELLAR. I do not contend that. I contend that nobody can be accurate about it; nobody knows about it; but from the experience we have had during the last 3 or 4 years, as to those on the rolls and those who are eligible but not on the rolls, even assuming that there is going to be some decrease on account of farming operations in the spring, and because of those that go into industry, we know that there

still will be others who will need relief, and that \$875,000,000 will not more than take care of them. So what I propose to do is what the organization headed by Colonel Harrington thinks should be done. I believe that the figures presented by that organization are correct. If they were not correct, why did not somebody on the other side who is interested furnish testimony that they were not correct? If there is something sacred about the figures \$725,000,000, why should we not have had some facts to show that that sum would be sufficient? Heaven knows, I prefer a smaller sum; Heaven knows, I would be willing to take as many off relief as we could take. But here is the proof, here is the experience of years on the part of this branch of our Government, and we cannot afford to go contrary to that experience without proof.

It is true that certain Senators on the committee have fixed the figure of \$725,000,000. How they work it out nobody knows; they have not explained it. As the Senator from Michigan will remember, as he was here during the entire time, the Senator from Colorado [Mr. ADAMS] never did explain how it was to be done. It was shown if his figures were accepted, namely \$725,000,000, we would take three-fourths of those who are now on relief, or who were on relief, off relief and have just one-fourth on relief. If that theory could be carried out, what a wonderful thing it would be. If by Congress passing an act reducing this appropriation we could rightfully and properly take off the rolls three-fourths of those on relief, what a wonderful thing it would be. Who would not be in favor of it if it could be done? But that figure has nothing to back it except opinion, and that opinion is not very strong, for I call attention to the invitation contained in the joint resolution itself as reported by the committee:

Provided further, That should there arise an emergency which in the opinion of the President would require the submission of an estimate for an additional appropriation, the President in submitting such estimate shall submit a statement as to the facts constituting such emergency.

That is an invitation to the President to do the very thing that the President has already done. He has declared the emergency; he has fixed the amount after the most careful preparation, after the most careful examination by those in charge of this activity, at \$875,000,000. Why, without a fact to sustain it, should the Congress undertake to cut that down?

Mr. VANDENBERG. Is not the clause which the Senator has just read a complete escape clause if the Senator from Colorado should prove to be wrong and the Senator from Tennessee should prove to be right?

Mr. McKELLAR. Not at all, for this reason: We have got something else to do besides looking after relief matters. Why, after all this preparation and examination, after all these facts and figures, should the President be required to send in another emergency recommendation in March?

Mr. VANDENBERG. Is it not a sufficient reason that upon the authority of the committee, or upon the authority of two-thirds of the committee, Colonel Harrington's figures are challenged as being inaccurate?

Mr. McKELLAR. Oh, no; I do not think two-thirds of the committee would challenge Colonel Harrington's figures.

Mr. VANDENBERG. What was the vote in the committee?

Mr. McKELLAR. I was surprised that Colonel Harrington's figures were challenged at all. But let us look at the challenge. The challenge applies to just one-third of the amount that was asked. This is a good place to bring that in now.

Mr. BORAH. Mr. President, will the Senator allow me to ask him a question?

Mr. McKELLAR. I yield.

Mr. BORAH. Was not the figure \$725,000,000 agreed upon by the House long before any question with reference to there being an incorrect figure upon the part of Colonel Harrington arose?

Mr. McKELLAR. That is my information. I never heard of any challenge of Colonel Harrington's figures until this morning.

Mr. BORAH. My understanding is that the challenge to Colonel Harrington's figures arose after the vote of 17 to 7 was taken in the committee.

Mr. McKELLAR. They may have been challenged by someone else, but, so far as I know—and I served on the subcommittee and on the full committee and I think I would have known about it—the challenge to Colonel Harrington's figures for the first time was made today; although he was asked questions which might justify such a challenge, according to my recollection, none was made.

Now let me say a great hullabaloo has been made about Colonel Harrington having made a mistake as to \$56,000,000. The principal part of it, about forty-million-odd dollars, was supposed to be due to the fact that \$60,000,000 allowed other Federal departments and agencies for relief work, which was put in the law last year, should be carried until next July. As Colonel Harrington testifies, it was not, and the very measure reported by the committee shows that it was not, because, as I pointed out this morning, it reads:

Provided further, That the limitation of \$60,000,000—

That is the one that takes in 90,000 on relief under other departments—

That the limitation of \$60,000,000 in section 3 of such act on the amount that may be allocated to other Federal departments, establishments, and agencies is hereby increased to \$83,000,000.

That shows that the Senator from Colorado is absolutely mistaken when he says that the appropriation of last summer was a year's appropriation for administration by other departments.

Mr. BORAH. Mr. President—

Mr. ADAMS. Mr. President, if the Senator from Idaho will pardon me, and the Senator from Tennessee will yield, let me say the Senator from Colorado never said any such thing.

Mr. McKELLAR. I am glad to hear the Senator say that.

Mr. ADAMS. The Senator from Colorado said that it was an appropriation for 8 months, and ran until the 1st of March, and that the money had been set aside, and was there now to pay 90,000 people until the 1st of March.

Mr. McKELLAR. I am glad to hear the correction, and, if I made a mistake, I am sorry.

Mr. MILLER. Mr. President—

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. MILLER. I should like to call the attention of the Senator to the hearings while we are talking about the alleged mistake on the part of Colonel Harrington. Pages 49 and 50 of the Senate hearings, I believe, afford the key to this controversy as to the alleged mistake. We find that on page 50, speaking about the original appropriation of \$1,425,000,000, the statement is made by Colonel Harrington:

There will be unpaid bills out of the \$1,425,000,000 on February 7—

The question was not asked him what would be the amount of those bills on February 7; but now, going back to page 49—

Mr. ADAMS. May I help the Senator by saying that if he will look at page 34 I think he will find that Colonel Harrington stated there was about \$50,000,000 that would be available at that time.

Mr. McKELLAR. I am going to read from pages 33 and 34 in just a moment, and show how utterly mistaken the Senator from Colorado is. Of course, he is acting in perfect good faith because everyone who knows the Senator from Colorado knows that he always acts in good faith, and I cheerfully agree that that is so, but he has made a mistake about it.

Mr. MILLER. There is no question about the good faith of the Senator from Colorado or any other Senator at all.

Mr. McKELLAR. No, sir.

Mr. MILLER. It is simply a question—

Mr. McKELLAR. Of facts.

Mr. MILLER. I think they misunderstand the Budget report. The key is further pointed out at the bottom of page 49. The Budget report recommends \$875,000,000, but in the break-down of that \$875,000,000 they account for only

\$750,000,000 expended, leaving \$125,000,000 to be carried over into the next fiscal year for which checks will be outstanding. There is the trouble about the whole controversy. I do not think Colonel Harrington is mistaken. I do not believe Senators can read this hearing and reach the conclusion that he is mistaken.

Mr. McKELLAR. I am absolutely sure he is not mistaken.
Mr. BORAH. Mr. President—

Mr. ADAMS. Mr. President, if the Senator will permit me, I should like to advert to the suggestion of the Senator from Arkansas. The Budget to which the Senator refers has a very unusual thing in it. It has two columns; in one the amount to be expended is \$725,000,000, and in the other the amount to be appropriated is \$875,000,000. But in another item there is a total of \$1,740,000,000 to be expended, and \$1,740,000,000 to be appropriated; that is, in the one case, somehow, a mysterious distinction has been drawn between the amount to be appropriated and the amount to be expended.

At the beginning of the fiscal year there are certain obligations incurred during the preceding fiscal year, to be paid by checks drawn afterward, but to be paid out of the money appropriated for the preceding fiscal year. In this situation the question raised is that the colonel said he had enough money to last him until the 7th of February.

Mr. MILLER. That is true.

Mr. ADAMS. Now he asks for money to begin on the 1st of February. He says he needs the money a second time.

Mr. MILLER. That is true; and that 7 days will be consumed in the payment of bills that will be due on February 7. He says so.

Mr. McKELLAR. Let me call attention to the fact that under the set-up the colonel has, that identical thing will be true on the 1st day of July.

Mr. MILLER. Certainly.

Mr. McKELLAR. Suppose we do not appropriate another cent after July 1. If we do not appropriate another cent after July 1, what we appropriate will run us to the 7th of July.

Mr. ADAMS. No; the Senator is entirely in error about running until the 7th of July, because without another appropriation the officials cannot run a minute after the 1st of July.

Mr. McKELLAR. It will take money to pay the debts.

Mr. ADAMS. No; they will not be paying debts in the first week in July. They will be paying debts in June.

Mr. MILLER. Suppose we appropriate \$725,000,000 in this joint resolution. Colonel Harrington says the maximum he can expend for relief will be \$625,000,000, meaning that he will have to carry over \$100,000,000 to take care of the obligations that will accrue after July 1, 1939.

Mr. ADAMS. Mr. President, may I interrupt for just one second?

Mr. McKELLAR. Yes, sir.

Mr. ADAMS. Here is a very obvious error of the Federal fiscal system. In the first part of the fiscal year money comes over to Colonel Harrington just as at the end of the fiscal year it goes over; so if he gets \$725,000,000 he will have \$725,000,000 to spend, and no less than that.

Mr. MILLER. I quite agree with that. He does get a sum of money; but he is figuring that that money will be required to be expended by February 7th.

Mr. ADAMS. No.

Mr. MILLER. You are charging him twice and not giving him credit for it.

Mr. ADAMS. No; that is not the fact. Colonel Harrington says he has money in hand to pay all the bills which will be incurred up until the 7th of February. He will not pay them, of course, on the 7th; but he has the money, and those items are on the books, charged against him. Then he comes here and asks that he be given money a second time to pay the bills incurred between the 1st and the 7th of February.

Mr. MILLER. Mr. President, I think the Senator is wrong. Colonel Harrington does not say that he has the money to pay the bills incurred up until the 7th of February.

Mr. ADAMS. No; he does not say it.

Mr. McKELLAR. I am going to read exactly what Colonel Harrington says; and it will be so plain, in my judgment, that anybody in the world can understand it. I read from page 33 of the hearings:

Estimated status—

This is the headline. This is not testimony. *This is the headline in the middle of the page:

ESTIMATED STATUS OF W. P. A. FUND AS OF FEBRUARY 7, 1939

Colonel HARRINGTON. That is correct. According to the best estimates I can make at this time, we will be completely out of funds, assuming that we are going to pay our bills, our just bills, by the 7th of February. And there will be no reserves for pay rolls available on that date.

Senator HALE. Your debts will be paid at that time?

Colonel HARRINGTON. There will be some bills not paid, for which money will be available.

We can understand that.

Senator HALE. But you will have the money to pay for them?

Colonel HARRINGTON. We will have the money to pay for them; yes, sir.

Senator BYRNES. You testified before the House committee, and I suppose it is a correct statement, that you will order material, say, in December and those bills will not come in until January. Is that right?

Colonel HARRINGTON. Yes, sir.

Senator BYRNES. Therefore you have to have at this time on hand an amount of money sufficient to take care of these contractual obligations?

Colonel HARRINGTON. That is correct.

Senator BYRNES. You have got that?

Colonel HARRINGTON. We have that.

Senator HALE. And you have just put that aside?

Colonel HARRINGTON. Yes, sir.

Senator BYRNES. Heretofore we have been told that at the end of the fiscal year, for instance, you have to rely on a reserve to carry on—a reserve to carry pay roll for 10 days or 2 weeks?

Colonel HARRINGTON. Yes, sir.

Senator BYRNES. What I think the committee is anxious to know now is when you say that your money will be exhausted February 7, you mean that it will be exhausted because you have set aside out of available funds an amount sufficient to take care of your actual obligations for material?

Could anything be clearer or plainer than that question? And Colonel Harrington answered it in the same clear way:

Colonel HARRINGTON. Yes, sir.

Senator BYRNES. An amount sufficient to carry your pay roll up to what day?

Colonel HARRINGTON. About to the 7th of February.

Senator BYRNES. And if you pay your pay roll on February 7, then your statement is that you will have no funds left except the funds which have been set aside to meet these contractual obligations that are outstanding; is that correct?

Colonel HARRINGTON. That is correct; yes, sir.

Senator BYRNES. And that amount outstanding you set aside to take care of outstanding obligations is about how much?

Colonel HARRINGTON. Probably about \$50,000,000, Senator BYRNES. I will ask to be permitted to submit that figure for the record.

Senator BYRNES. I judge from your statement that you have not got the exact figure or anything approximating it and you will put it in the record.

Colonel HARRINGTON. Yes, sir; the figure is \$48,500,000.

Senator ADAMS. Well, do you have what is estimated as your unexpended balances on the 1st of January?

Colonel HARRINGTON. About \$311,000,000 for work projects and administration including unobligated balances already transferred from the 1937 act.

Senator TYDINGS. That is mostly for material?

Colonel HARRINGTON. That is the unexpended balance, Senator.

That is the amount of money that remained in the Treasury as of December 31.

Senator TYDINGS. Colonel, this seems like a foolish question—

I do not think the Senator from Maryland can be accused of asking foolish questions.

Colonel, this seems like a foolish question, but in order that I may clear it up, when the 7th of February comes you will have no more money for anything.

Colonel HARRINGTON. That is correct.

Senator TYDINGS. On the other hand, how much of the balances that are obligated, but not yet due, which you have to hold out until you get your bills; how much additional work will that make beyond the 7th of February?

Colonel HARRINGTON. None.

Senator TOWNSEND. Less than 2 weeks.

Colonel HARRINGTON. There will be no money available after February 7 to employ anyone.

Senator TYDINGS. You say now you have about three hundred and some million set aside for contractual obligations which have not yet reached the point where you would pay them?

Colonel HARRINGTON. That was as of the 1st of January.

He corrects the Senator in that statement.

That was as of the 1st of January.

Senator TYDINGS. Now, that amount will probably be constant until you get pretty close to the 1st of February, because as you pay off one others will be coming in.

Colonel HARRINGTON. That amount is necessarily going like that [indicating down].

Senator TYDINGS. Yes; but to what extent will that make for employment after the money has actually been paid by you on the 7th of February in the communities where it is being spent?

Colonel HARRINGTON. On indirect employment?

Senator TYDINGS. On indirect.

Colonel HARRINGTON. The materials have already been produced and in most instances delivered.

Senator TYDINGS. I see. That answers my question.

Senator ADAMS. Go ahead, Colonel.

Senator TYDINGS. That is exclusive of any sponsor's contribution.

Colonel HARRINGTON. Yes, sir.

So it seems to me it is just as plain as the nose on a man's face that it will take a week to close up the accounts, and no persons at all will be employed after the 7th of February if this appropriation is not made. I cannot see how any mistake could occur about it. It is perfectly plain. I cannot understand how the Senator from Colorado [Mr. ADAMS] gets the \$56,000,000 he is talking about.

Mr. BORAH. Mr. President, I desire to ask the view which the committee took as to the necessity of this so-called "escape clause." Could not the President do, without the "escape clause," everything he can do with it?

Mr. McKELLAR. Why, of course; but this is what I think about it. I may be wrong, and, if I am, I hope Senators who disagreed with me on the committee will correct me. The way I look at it is that if we should appropriate \$725,000,000, just as the House did, the belief would go out to the country that we were taking off 2,000,000 employees during cold weather, and that proviso was put in for that reason. I am going to get to those figures in just a moment.

Mr. BORAH. I am speaking about the portion of the joint resolution which says that the President may make recommendations and state the reasons for the recommendations.

Mr. McKELLAR. I feel this way about it: The matter was not discussed at the time, as I recall; but I came to the conclusion that that clause was put in in order to save the thing over.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. McKELLAR. Yes, sir.

Mr. NORRIS. I wish the Senator from Tennessee would be more explicit, if he can be, in reply to the question of the Senator from Idaho. As I understand the Senator's question, he wants to know the effect of this proviso or "escape clause," as it is called, giving the President authority to make certain other recommendations. What good is it, anyway? No matter which side of the matter we take, he may do all those things. Is not that true?

Mr. McKELLAR. I thought the Senator was such a wonderful lawyer that he was asking me the question in a rhetorical way, not expecting me to answer it. The President has every right this provision would give him to make another recommendation, and the President will make that recommendation.

Mr. BORAH. He has made it.

Mr. McKELLAR. He has made it. He has declared the emergency and asked for \$875,000,000 to meet it.

Mr. NORRIS. Then what is the use of inserting that proviso in the law at all?

Mr. McKELLAR. I do not know. I yield so that the Senator may ask those who inserted the provision.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. McKELLAR. I yield.

Mr. BARKLEY. As I understand that clause—and I am not attempting to interpret it, certainly not for the committee—if the President should decide—

Mr. BORAH. What he has already decided?

Mr. BARKLEY. If he should decide in March what he knows now, and should come to the Congress in March and ask for what he is asking now, he must give the reasons for it.

Mr. McKELLAR. He has given the reasons at this time.

Mr. BARKLEY. And the same reasons would apply then that apply now, that he needs the money in order to keep these people at work. He could not give us any more information in March or April than that he has given now. He could not give any more cogent reasons in March or April than he is giving now, so it seems to me that if he finds in March that he knows what he knows now, and comes to the Congress in March and tells us what he is telling us now, there might be a suspicion that the reasons he offers in March might not be as good as they are now.

Mr. BORAH. It seems to me that in all fairness to the committee there was in the minds of the committee a feeling that this \$725,000,000 would not be enough, and there was an invitation, an indication that they would be very glad to hear a further statement in regard to that when a further appropriation was asked. I take it that was the reason the provision was inserted.

Mr. McKELLAR. I ask the Senator from Colorado, in charge of the bill, and who made the majority report, what was the reason for inserting this clause inviting the President to make an estimate and a statement of the facts constituting such emergency in the event more money was needed?

Mr. ADAMS. Mr. President, let me propound a question. Would the Senator have any objection to asking the President to give us a full statement of the facts when he asks for an additional appropriation?

Mr. McKELLAR. None whatever.

Mr. ADAMS. That is all it requires.

Mr. McKELLAR. The President would have a right to do that. He has already done that very thing. I shall read from what the President stated about this emergency, and if he made such a declaration in connection with the pending joint resolution, why would the majority of the committee insert that clause, when the President has done the very thing they are asking him to do in this very joint resolution?

Mr. ADAMS. I think I can satisfy the Senator.

Mr. McKELLAR. I am satisfied now, but some others are not satisfied.

Mr. ADAMS. We heard much discussion about the fact that a great many people would be thrown out on the streets in the wintertime; that is, that it was a hard, barbarous proposal.

Mr. McKELLAR. But we provided for it.

Mr. ADAMS. Just a moment.

Mr. McKELLAR. We provided for it in the first part of the proviso.

Mr. ADAMS. Then, to calm the timid folks, we provided a limit, and stated that Congress has the power to make additional appropriations; and we are suggesting to the President, to the Congress, to the people of the country, that if conditions develop which we do not anticipate, the Congress will be in session and, upon request by the President with a statement of facts, additional appropriations will be made to meet the conditions which may develop.

Mr. McKELLAR. Oh, no; it does not say that they will be made. That is not in this measure. That is peculiarly conspicuous by its absence.

Mr. ADAMS. The Senator would not expect us to make the promise.

Mr. McKELLAR. Let me read the Senator's language. That thought is conspicuous by its absence:

Provided further, That should there arise an emergency which in the opinion of the President would require the submission of an estimate for an additional appropriation, the President, in submitting such estimate, shall submit a statement as to the facts constituting such emergency.

There is not a word there about agreeing to further appropriations. The President is merely to submit the facts. He has done that very thing.

Mr. ADAMS. The Senator would not expect us to say in the joint resolution that whatever amount the President should ask for "is hereby appropriated"?

Mr. McKELLAR. No; I would not. I have found from experience that is not wise.

Mr. BYRNES. Mr. President, will the Senator from Tennessee permit me to answer the question?

Mr. McKELLAR. Yes.

Mr. BYRNES. As I drafted the language, I desire to answer the question.

Mr. McKELLAR. I shall be very happy if the Senator will, and I hope the Senator from Idaho and the Senator from Nebraska, who asked the question, will pay attention.

Mr. BYRNES. I certainly hope so, because I merely desire to call their attention to the fact that the language which they have discussed as being so unusual is identical with the language carried in existing law, which was supported and voted for by the Senator from Tennessee, the Senator from Kentucky, the Senator from Idaho, and the Senator from Nebraska. I did not see anything unusual in writing into the pending measure the exact language of the existing law.

Mr. McKELLAR. Will the Senator read the language?

Mr. BYRNES. Yes; I will. The existing law provides:

Except that upon the happening of some extraordinary emergency or unusual circumstance, which could not be anticipated at the time of making such apportionment, the same may be waived or modified by the President, who shall fully set forth the reasons therefor at the time of any such action and communicate the same to Congress in connection with any estimates for additional appropriations to carry out the purposes of this title.

We merely provided the language, and I know the Senators will say it is the identical language, and that there is nothing unusual in asking them to vote into this measure what they voted for when the existing law was before us for action.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GLASS. I merely desire to state briefly what my understanding of the matter is. This language was inserted because the committee, poring over different estimates and figures, did not regard the President's figures as accurate, but did regard the committee's figures as accurate as embodied in the joint resolution. But should it prove that the committee was wrong and the President was right, the President could come before Congress and get an additional appropriation.

Mr. McKELLAR. I think the Senator from Virginia has stated the facts as I understand them. That was the reason; they doubted that the President was accurate, and they wanted him to be more accurate in the future than he was in the past.

Mr. BORAH. Mr. President, that is a wholly different reason from the reason for the insertion of the provision in the existing law just read. In the first place, the language in the existing law was never called to the attention of the Senate, was never debated. This comes here now as a controverted question, and I am merely asking why the language was inserted in the joint resolution. The Senator from Virginia has stated it was inserted because the committee believed the President to be inaccurate in his figures, and that he should be given a chance to make them accurate.

Mr. BYRNES. Mr. President, if the Senator will yield, there was no controversy at all about this language. It was adopted unanimously. Neither the Senator from Tennessee nor any other Senator questioned it. The Senator from Idaho is in error in regarding this as a controverted question.

Mr. McKELLAR. Mr. President, will not the Senator admit that the President has a perfect right to do this very thing without a line in this measure?

Mr. BYRNES. The President certainly has a perfect right, but he had the right last year, when the Senator voted to include the same provision.

Mr. BARKLEY. Mr. President, there is no necessary analogy between the situation which resulted in inserting that language in the existing law, and the present situation.

We provided that if the President should discover later an emergency which was not then in sight, he could come in and do these things, but in this case he has already the emergency in his mind, and he has asked for the amount which he feels the emergency requires. He does not have to wait until March or May in order to present the facts which he thinks justify the appropriation for which he asks.

Mr. BYRNES. Mr. President, the Senator is absolutely mistaken. The President did not write this language. The Congress appropriated a certain amount of money to carry on these activities to a certain date, and provided that if that appropriation did not last to that date, the President could submit an estimate for a deficiency, and should accompany that estimate with a statement of the emergency justifying it. In the pending measure the committee recommends the same thing, that the \$725,000,000 is to carry on the work to June 30, and if prior to that time an emergency, in the opinion of the President, justifies his submitting an estimate, he must again accompany it with a statement of the facts constituting the emergency. It is the same thing.

Mr. BARKLEY. I still insist there is a difference in the situations, because the language to which the Senator refers was inserted in order to take care of an emergency which the President might later discover, but did not then foresee.

Mr. BYRNES. And that is the purpose of the provision in the pending joint resolution.

Mr. BARKLEY. The President already foresees the emergency and has asked for the amount of money he thinks is necessary to take care of it.

Mr. BYRNES. The Congress would say by the joint resolution that it appropriates now to take care of the situation until June 30, and if the President later finds that an emergency exists, he can come to Congress and ask for a deficiency.

Mr. GLASS. Mr. President, the Senate Committee on Appropriations was confronted with the fact that the Committee on Appropriations of the other branch of Congress had differed with the President's conjecture. It was nothing but a conjecture. All of this is conjecture. No one has ever been able to tell us for one moment how many unemployed people there are in the country. The administration will not take a census of them. They do not want to know. They want to magnify the number so that they can get all the money possible out of the Treasury. But the Senate committee was confronted with the fact that the House committee, and the House itself, by a decisive majority, had differed with the President's conjecture, and therefore we did our own conjecturing and our own figuring, and embodied the result in the joint resolution; and that is the reason why this provision is in the measure.

Mr. McKELLAR. Mr. President, now, as to the emergency: On behalf of the minority, I submitted a report in which I stated that "if the majority would not take the President's recommendation as to the emergency of the present appropriation, it is exceedingly doubtful whether the majority" would take his recommendation as to any subsequent appropriation.

This is what the President gave as the reason for the emergency:

However, during the period prior to the adoption of this legislation, when employment was increasing, the increase in the number employed on the Works Progress Administration program did not keep pace with the need of employment, because the W. P. A. had funds to employ only part of those who were out of jobs.

Again, the President said:

The critical foreign situation has had an adverse effect upon American business and industrial employment in this country and has been an unexpected deflationary force affecting the prices of commodities entering into world markets, such as certain of our important commercial commodities. This has accentuated relief problems in important areas in the country. In addition, the hurricane devastated large areas in New England last summer, seriously dislocating industry and trade in the northeastern section of the country and adding to the relief burden in that area.

Mr. President, those were some of the views the President expressed as to why he asked for this appropriation of \$875,000,000. If I read the record correctly, there is not a scintilla of evidence given by any witness who appeared before the committee to prove that \$725,000,000 would do the contemplated work.

Let us now consider for a moment the plan of the majority. Their plan is to have substantially the same number employed on relief in February and March as are employed in January.

The plan of the majority is to have 3,000,000 persons on the rolls during all of January. There are that many on the rolls now. There will be about 3,000,000 persons on the rolls in February and about 3,000,000 on the rolls in March. In April there will be 2,350,000. In May there will be 1,650,000. In June there will be 1,050,000 W. P. A. workers on relief.

Mr. President, it would be a grand thing if that plan could be carried out. Is there a Senator except the Senator from Colorado [Mr. ADAMS], who has already spoken, who thinks that we could reduce the number of those on relief and those eligible for relief from 4,100,000 persons in December to 1,050,000 persons in June, a period of 6 months? Does any Senator believe we could cut off three-fourths of the present number from the rolls?

Mr. VANDENBERG. That would be the more abundant life, God knows.

Mr. McKELLAR. The Senator from Michigan says that would be the more abundant life. It would take an abundant amount of food to feed the 3,000,000 who would be taken off the rolls. The Senator admits that. We all have to admit that. I wish our country would increase in prosperity to such an extent that that reduction could be made in 6 months, but I do not believe the most optimistic of those who want to cut down the relief rolls believe they can be cut down in any such fashion as that. If that be true, then why try to disarrange and break down the plan for activities in this matter? It is impossible to cut down the number of those who need relief. Senators, we are not going to be able to cut down the rolls 75 percent in 6 months. It is impossible to do so. Yet that is the plan of the majority of the committee.

If \$725,000,000 is appropriated, and no more is hereafter appropriated, we are going to have three-fourths of those who are on relief or who are eligible for relief taken off of the rolls before June. I say it would be a wonderful thing, a grand thing to do that. I wish we could do it. But I do not see how it is possible to do it.

Mr. VANDENBERG. Mr. President, how many will still be on the rolls if the full appropriation requested were made?

Mr. McKELLAR. Under the full appropriation the number would be reduced to 2,700,000. If we could have a reduction of nearly 400,000—381,000 persons—in the next 5 months, we would be doing exceedingly well. Why do I say that? I do not have the exact figures before me, but in 1938, between the same dates, we did not do that well. In 1937 we did not do that well. In 1936 we did not do that well. Nor have we done that well at any time since the program of Federal relief has been undertaken and the W. P. A. has been put into operation. I do not see why we should believe we can so far surpass the record of the past. I think we can improve on it. I think the program proposed will provide a great improvement.

Mr. President, all the matters I have made reference to were taken into consideration by the W. P. A. in making their recommendations. They took into consideration that the farmers would be more busy in April and May than they are now. They took into consideration in preparing these figures that P. W. A. would begin to work by that time. They took into consideration that private industry would take up a good deal of the slack in unemployment. They took into consideration the fact that some States may undertake to pass additional laws dealing with unemployment, laws having to do with old-age pensions.

But the Senate committee has done something to add to the number. How? By a provision in this measure that those over 65 years can go back on the rolls. It is a very wise provision; I voted for it; but it adds to the list of those that have to be appropriated for. So under those circumstances it seems to me we cannot go as far as the committee has gone at this time.

I believe in the honesty and integrity of Colonel Harrington. I believe in his accuracy with respect to figures. I believe he is absolutely correct in his statement of the financial affairs of the W. P. A. I have not seen anything which would lead me to disbelieve them. I think the W. P. A. officials know more about the subject than we do. This is one question out of hundreds with which we have to deal; it is the only question with which they have to deal. They have been working on it all the time. They have been working on it for years. They know more about it than we do. I think we should follow their judgment. Those circumstances have led me to take the position which I have taken about the matter, that we ought to appropriate \$875,000,000. I have prepared an amendment which is now on the desk, and I shall offer it at the proper time.

Mr. BORAH. Mr. President, may I ask the Senator a question before he sits down?

Mr. McKELLAR. I yield.

Mr. BORAH. Suppose we pass the joint resolution in which we provide for \$875,000,000. Then outside of those for whom relief is provided by the measure we have the estimated number of 725,000 persons who have made their applications, and have had their applications examined and approved.

Mr. McKELLAR. Yes.

Mr. BORAH. But those persons have not thus far been taken care of.

Mr. McKELLAR. That is true.

Mr. BORAH. So if we pass the bill carrying the largest amount, \$875,000,000, we are still leaving outside of any help those seven-hundred-thousand-odd persons, which means, when we consider their dependents, a figure something very much greater.

Mr. McKELLAR. Yes.

Mr. BORAH. The condition of some of those 725,000 persons is simply indescribable. I know that. If the \$875,000,000 should prove larger than required for the purposes set forth in the measure, could the remainder not be used as direct relief for those who are in miserable condition?

Mr. McKELLAR. The bill as reported by the committee does not provide for direct relief. I will say this to the Senator. It is the hope of the W. P. A. that by reason of the slack in those on W. P. A. that will come from increased employment in industry, by the taking up of men and women on the farms, or by reason of any that are taken care of under old-age pension laws passed by the States, or any that are taken care of by general improvements in business conditions, they may work out the general plan of relief with this \$875,000,000. That is the hope, and that is the purpose. But I, like the Senator from Idaho, doubt exceedingly whether \$875,000,000 will accomplish that purpose.

Mr. BORAH. So far as the hope of the administration of the working out of relief to those particular people through the method suggested by the Senator is concerned, the relief is too long deferred.

Mr. McKELLAR. There is one other matter—

Mr. BORAH. These people need help right now. They need it tonight.

Mr. McKELLAR. Some of them do.

There is one other feature in the joint resolution. I do not know that I can lay my hands on it at the moment. Unfortunately, there are some who from the very beginning have made a habit of being on relief.

Mr. BORAH. So far as taking people off relief who ought to be off relief is concerned, we certainly all agree about that.

Mr. McKELLAR. That is provided for. There was no difference of opinion in the committee with respect to that question.

Mr. BORAH. Taking them off has been too long deferred, especially during election time, and they ought to be taken off. We can all agree upon that. I should like to ask the able Senator from South Carolina [Mr. BYRNES] to draw an amendment which would take care of the situation.

Mr. McKELLAR. It has already been done.

Mr. BORAH. Then let us draw another amendment to provide some way by which the Administrator can take care of those who need work relief, or direct relief, and who will not get it under the provisions of the joint resolution as it is now drawn.

Mr. McKELLAR. I may say to the Senator that there is a reason for that. If I may explain the reason, I understand that one of the reasons for the 750,000 persons not going on relief is that in certain instances, for example, a plumber is called for from civil life, and a man may not be qualified, and may not get on the rolls for that reason. If an agricultural worker is required, and only an industrial worker is available, the industrial worker cannot get on agricultural relief, and, conversely, the agricultural worker cannot get on industrial relief. That situation accounts in part for the 750,000.

Mr. BORAH. Yes.

Mr. McKELLAR. Like the Senator, I think the matter ought to be taken care of, and ought to be taken care of in the pending legislation.

Mr. BORAH. It should be taken care of in the joint resolution. In the case of women and children, for example, it is not a question of carpenters, plumbers, and so forth. Such cases ought to be taken care of, and they ought to be taken care of by this joint resolution.

Mr. McKELLAR. We cannot do it with \$725,000,000.

Mr. BORAH. There is no reason for providing money for a portion of the people who are in distress, and not providing it for another portion who are equally in distress.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HATCH. The Senator from Tennessee has just said that the situation cannot be taken care of with \$725,000,000. Can we do it with \$875,000,000?

Mr. McKELLAR. I think so. I give as authority the Administration itself. It thinks so.

Mr. HATCH. In my State at this time 10,500 persons are receiving work relief. I do not know whether or not the Senator has the figures before him. I am quoting from memory. I am sure the figures are substantially correct.

Mr. McKELLAR. I have the figures somewhere.

Mr. HATCH. In December we had 13,500 on the rolls and 3,000 were dropped. They were not taken into private employment, but the rolls were reduced by 3,000. Even in December there were 6,000 who had been certified as eligible to receive work relief who had no jobs. Adding that number to the 3,000 by which the rolls were reduced, we obtain approximately 9,000 who are now certified and eligible to receive relief and who have no jobs, as against approximately 10,000 who have employment.

If that percentage prevails throughout the country, I do not see how \$875,000,000 will make much difference as compared to \$725,000,000. The situation will not be met.

Mr. McKELLAR. The Administration has plans by which it believes it can work out the problem with \$875,000,000. It cannot work it out with \$725,000,000 and has so stated.

Mr. HATCH. Approximately 4,000,000 have been certified for relief all winter, and only 3,000,000 have been employed.

Mr. McKELLAR. About 3,000,000 have been certified for relief, and approximately 750,000 are not now receiving relief.

Take the case of the Senator's State: As of December 31, there were 11,800 on relief in his State.

Mr. HATCH. The number has been reduced.

Mr. McKELLAR. The number has been considerably reduced. If the joint resolution providing for \$725,000,000 is enacted, the number will be reduced to 4,000 on the 1st of June. That will be the situation in the Senator's State.

Mr. CLARK of Missouri rose.

Mr. McKELLAR. I see the Senator from Missouri on his feet. May I call his attention to the situation in Missouri?

Mr. CLARK of Missouri. Before the Senator does that, will he permit me to ask him a question?

Mr. McKELLAR. Certainly.

Mr. CLARK of Missouri. The Senator says he relies entirely on the estimates of the Administration.

Mr. McKELLAR. Oh, no; I do not say that I rely entirely on them; but I think they have very great weight, especially in the absence of any proof to the contrary.

Mr. CLARK of Missouri. I should like to ask the Senator a question. Is it not a fact that the Administration came to Congress during the last session, when appropriations were being made for the current fiscal year, and estimated that a certain sum would be necessary to carry the work through the year?

Mr. McKELLAR. Not through the year, but until March.

Mr. CLARK of Missouri. Until March. The Administration now comes back with a request for a tremendous and very surprising deficiency appropriation, which, it is said, will be sufficient to carry on the work until the end of the fiscal year. Has the Senator any assurance that if we appropriate \$875,000,000 we shall not be asked to make a second deficiency appropriation?

Mr. McKELLAR. I doubt it. I do not believe so.

Mr. CLARK of Missouri. On the basis of the figures of the relief administration itself, is it not true that after the scaling-down process has been completed there will be a greater number on the W. P. A. rolls on the 1st of June than there were on the 1st of January 1938 or the 1st of January 1937?

Mr. McKELLAR. Oh, no. Under the Administration plan of relief there are now 3,081,000 on relief, and on the 1st of June the number will be 2,700,000.

Mr. CLARK of Missouri. When does the Administration propose to let those persons off?

Mr. McKELLAR. The joint resolution provides that perennial relief workers shall not be further certified.

Mr. HATCH. What does the Senator mean by "perennial relief workers"?

Mr. McKELLAR. Those who have been on relief for so many years.

Mr. CLARK of Missouri. Mr. President, I should like very much to see such a provision enacted. I do not understand that there is any such provision in the joint resolution.

Mr. McKELLAR. There is no such provision in the joint resolution.

Mr. CLARK of Missouri. If such a provision were put in the joint resolution, we should still have to rely for its enforcement upon the very persons who have violated that principle in the past.

Mr. McKELLAR. I do not agree with the Senator. I do not believe there has been a violation of law.

I wish to say that in the State of Missouri, as of December 31, there were 109,100 on relief. If the joint resolution goes through, as recommended by the majority, providing \$725,000,000, the number will be cut to 37,200, or about one-third.

Mr. CLARK of Missouri. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. Does the Senator understand that the relief rolls in Missouri will be reduced from 109,100 to 37,200?

Mr. McKELLAR. That is what the statement indicates.

Mr. CLARK of Missouri. Mr. President, that is a remarkable statement. I should like to have it further verified and exemplified.

Mr. McKELLAR. Does the Senator wish to look at the statement?

Mr. CLARK of Missouri. I do not care about that. If that statement is true, relief in the State of Missouri is to be reduced more than two-thirds, which is entirely out of proportion to the amount of the reduction in the appropriation, which is 17 percent.

Mr. McKELLAR. When the Senator begins to talk about percentages, I plead ignorance.

Mr. CLARK of Missouri. The Senator certainly does not mean to stand on the proposition that because the Congress reduces an appropriation 17 percent below the estimate, the actual relief extended is to be reduced more than two-thirds, which is the figure the Senator has read. If so, I suggest that there is very serious discrimination against Missouri, and I expect to go into that in great detail.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. There is no discrimination against any State. According to the estimate of the W. P. A. under the joint resolution the reduction is limited to 5 percent for the first 2 months, February and March. We start with 3,000,000 persons on the rolls, and in March the number is reduced to 2,850,000. With the reduced appropriation, the necessity of keeping the fund and the number in February and March practically as they are now makes it necessary to bring about a more precipitate reduction after the 1st of April. Every dollar of the \$725,000,000 is accounted for in the estimates. So the number is first reduced from 3,000,000 to 2,850,000. The next jump is to 2,350,000. The next jump, in May, is to 1,650,000, and by June the number is down to 1,050,000. So, in the 5 months we shall have taken off the rolls practically 2,000,000 persons.

The way the figures work out, at \$61 apiece, the entire \$725,000,000 is taken up. In the table which has been prepared, showing the resulting reduction of employment under the W. P. A. in all the States, the proportion is no greater in Missouri than it is anywhere else. There is no discrimination against any State.

Mr. CLARK of Missouri. Do I understand the Senator from Kentucky to contend that with an appropriation of \$725,000,000 the relief rolls would be reduced two-thirds?

Mr. McKELLAR. Two-thirds.

Mr. CLARK of Missouri. And with an appropriation of \$875,000,000 they would be kept at approximately the same figure?

Mr. BARKLEY. Not the same figure; no.

Mr. CLARK of Missouri. I should like an explanation of how the Administrator proposes to make the \$150,000,000 go as far as the Senator says it will.

Mr. BARKLEY. With the figure \$875,000,000, the reduction would be gradual. A total reduction by the 1st of July of 300,000 persons is contemplated. With the figure of \$725,000,000, and the limitation of the reduction to 5 percent for February and March the number would be reduced to 1,050,000, and there is no way to escape it. The Senator may take the figures himself, add up the number, and multiply by \$61. The number becomes 1,050,000 on the 1st day of July. However, with the larger amount, starting in gradually and not having to make a precipitate reduction at any particular stage in the descent, we wind up on the 1st day of July—

Mr. CLARK of Missouri. With more than we had to start with.

Mr. BARKLEY. No; with 2,700,000. In that connection, I will say to the Senator—

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Tennessee has the floor and has yielded to the Senator from Kentucky.

Mr. BARKLEY. Something was said a while ago about the number of persons on the rolls on December 31, 1937. On December 31, 1937, the number was 1,629,000, and on January 1 it was 1,900,000. Then began an increase during the months up to December 31, when there were 3,081,000.

Mr. CLARK of Missouri. Mr. President, will the Senator from Tennessee yield for one further question? Then I will not trespass further on his time.

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. Does the Senator from Kentucky have any figures as to how many people have been taken back into private employment during the last 6 months? Is any weight given to those figures in the figures

which are now being advanced as to the number it is necessary to carry on the rolls during the winter?

Mr. BARKLEY. I will say to the Senator that it is estimated that during the last 12 months almost a million unemployed have been taken back into private employment. It is also estimated that for every five men taken back into private employment only one is taken from W. P. A. rolls. So in any number who are taken back, whether it is a million or two million, the proportion is about four unemployed who are not on W. P. A. rolls to one who is on such rolls. So when a million are taken back into private employment only about two hundred thousand are taken off the rolls of W. P. A.

Mr. CLARK of Missouri. So that we have remained in the same situation as the frog in the well that jumped 1 foot and fell back 2 feet in an effort to get out of the well? [Laughter.]

Mr. BARKLEY. No; because that famous frog jumped 1 foot and fell back 2 feet, while in this case we jump 2 feet and fall back only 1.

Mr. GLASS. But that frog went to hell, and that is where we are going. [Laughter.]

Mr. BARKLEY. I do not know that he went to hell, but I know he was in the well and never got out.

Mr. HATCH. Mr. President, will the Senator now yield to me?

Mr. McKELLAR. I yield to the Senator from New Mexico.

Mr. HATCH. I should like to ask the Senator from Tennessee a question, because I desire to have this matter clear in my mind if I can, and I find a great deal of difficulty in understanding the figures about which the Senator from Missouri has been talking. The conclusion is—and I want to be sure that I am right—that if we appropriate the full amount of \$875,000,000 the rolls will be gradually reduced, beginning now; we will begin to let men off in February and March and throughout the whole period; but under the smaller appropriation of \$725,000,000 there will be no reduction in February and March. Therefore, under the smaller appropriation which the committee has submitted, during the cold months, when, as we have heard, so much distress and suffering is likely to occur, more good will be done than will be done under the larger appropriation.

Mr. McKELLAR. Oh, no. The Senator does not understand the figures.

Mr. HATCH. I am frank to say I do not understand them.

Mr. CLARK of Missouri. Neither does anyone else.

Mr. McKELLAR. Let me give the Senator the figures. There is no difference between the figures as to February and March under the two plans.

Mr. HATCH. Very well; then how can you begin gradually to reduce the rolls in February and not have any difference in the figures? They will remain the same, but they will be reduced. Is that correct? [Laughter.]

Mr. McKELLAR. Not at all; but there is more money in the first proposition than there is in the second; and it will go further. Does the Senator not understand that?

Mr. HATCH. I understand that there is more money in an appropriation of \$875,000,000 than there is in an appropriation of \$725,000,000.

Mr. McKELLAR. If the Senator understands that, he understands the whole proposition, for that is the whole thing.

Mr. HATCH. But that is not so as to the months of February and March.

Mr. McKELLAR. Mr. President, as part of my remarks, I ask unanimous consent to have printed in the Record at the conclusion of my remarks the views of the minority of the Committee on Appropriations.

There being no objection, the views of the minority of the Committee on Appropriations were ordered to be printed in the Record, as follows:

Mr. McKELLAR, from the Committee on Appropriations, submitted the following minority views (to accompany H. J. Res. 83):

The minority of the Committee on Appropriations, to whom was referred the joint resolution H. J. Res. 83, the relief bill, disagrees with the majority on the all-important section of the bill

which accepts the \$725,000,000 as passed by the House instead of the \$875,000,000 as recommended by the President and the Bureau of the Budget. The minority believes that the \$875,000,000 figure ought to have been substituted for the \$725,000,000.

FACTS VS. GUESSING

The minority submits that the \$725,000,000 is more or less of a guess of the majority because of the very language of an amendment attached thereto. In part, that language is as follows:

"Provided further, That should there arise an emergency which, in the opinion of the President, would require the submission of an estimate for an additional appropriation, the President, in submitting such estimate, shall submit a statement as to the facts constituting such emergency."

Unquestionably, the majority felt that the sum was not sufficient or they would not have submitted this language.

The minority further submits that, if the majority would not take the President's recommendation as to the emergency of the present appropriation, it is exceedingly doubtful whether the majority would accept any further reason of the President as to why an additional amount should be appropriated.

In his message, the President said:

"However, during the period prior to the adoption of this legislation when employment was increasing, the increase in the number employed on the Works Progress Administration program did not keep pace with the need of employment, because the W. P. A. had funds to employ only part of those who were out of jobs."

Again, the President said:

"The critical foreign situation has had an adverse effect upon American business and industrial employment in this country and has been an unexpected deflationary force affecting the prices of commodities entering into world markets, such as certain of our important commercial commodities. This has accentuated relief problems in important areas in the country. In addition, the hurricane devastated large areas in New England last summer, seriously dislocating industry and trade in the northeastern section of the country and adding to the relief burden in that area."

The President then points out that the relief rolls increased from 2,900,000 at the beginning of July 1938 to a peak of 3,350,000. He then said during the past few weeks the number has been declining, and

"On December 24, 1938, the total had fallen to 3,112,000, and it is expected that the employment during the month of January will approximate 3,000,000."

The foregoing figures include employment provided with funds transferred by the W. P. A. to other Federal agencies, an average of 90,000 persons are thus employed under conditions which are entirely similar to those obtaining in the W. P. A. program.

Under the President's recommendation based on the facts and not upon opinion, he felt that there should have been 3,000,000 workers in February and March and that this number would be diminished in April and May to an average of 2,700,000 in June.

The President also pointed out that the W. P. A. program is at present being conducted at a cost of \$61 per worker per month, of which only \$2 is overhead administrative expense.

As before stated, the President's recommendation is based upon fact and experience and upon the recommendations of those who have been working on this problem for years.

THE PLAN OF THE MAJORITY

Under the plan of the majority, the number on the rolls in February may be 3,000,000, or it may be 2,850,000, and the same is true of March, but after that the number will be reduced so precipitately that there will not be on the rolls more than about 1,050,000 at the end of June. Of course, the Congress can arbitrarily do that if it desires. It could take them all off the rolls on the 7th of February if they refused to appropriate any money, but it seems to us that it is beyond the scope of reason to believe that we ought to reduce the numbers on relief from 3,350,000 in November or December to less than a third of that number at the end of June. To cut relief by two-thirds in 6 months cannot be based upon any facts or figures shown in the record or known to any Senator or Congressman. The best that can be said of it is that it is an arbitrary reduction without regard to questions of actual need.

The extent to which these reductions are arbitrary can be appreciated by the effect this reduction would have on W. P. A. employment in the States and cities. Of course, we do not know how the employment quotas will be adjusted among the States by the Administrator, but in the following tables we have assumed, for illustrative purposes, the same percentage reduction in each State from December 31 employment to June 30.

The proposal of \$875,000,000 made by the President, the officials of the W. P. A., and the Bureau of the Budget is based upon experience and upon common knowledge; the figures were reached after careful investigation, after considering every phase of the situation, and represented an orderly, well-thought-out program of reduction through fiscal year 1940. The figure of \$725,000,000 submitted by the majority and by a majority of the House of Representatives is based on no experience or previous knowledge, upon no estimates, and it is admitted in the resolution as reported by the Senate committee itself that the majority is doubtful about it because it invites the President to make another recommendation.

Organized labor and the mayors of the cities are unanimous in recommending \$875,000,000 as against \$725,000,000.

SEVEN HUNDRED AND FIFTY THOUSAND NOT ON RELIEF

In addition to the numbers now on the W. P. A., Col. F. C. Harrington, the W. P. A. Administrator, says:

"We know there are about 750,000 persons in the United States that are certified and eligible for W. P. A. employment and we are not employing at this time" (p. 89).

In other words, the appropriations that we have already made and this appropriation have not been able to take care of the certified and eligible and needy persons who have asked for relief and who have been declared eligible for W. P. A. in addition to the more than 3,000,000 persons now on W. P. A. In other words, even the President's figures do not include this 750,000, but the majority says that you can absolutely disregard this 750,000 and absolutely disregard the 2,000,000 who will have to be dropped under their plan by the end of June. If conditions warrant such a situation on June 30 next, we shall indeed be happy. But who, in the face of our recent experiences with relief, can believe any such thing? The majority says that the number of those needing relief will be reduced in several ways:

1. That a great many will be preparing crops in the spring and will not be needing relief. (This well-known fact was allowed for in the President's estimate of \$875,000,000.)

2. That a great many others will be employed on P. W. A. projects. (This was also allowed for in the President's estimate.)

3. That many of the States will adopt or increase the benefits in connection with old-age pension and aid to dependent children provisions under the Social Security Act, and that unemployment compensation benefits will go into effect in many States, and that these actions will take up a great deal of the slack. Well, the States may do so. It is possible, of course, but to our minds it is exceedingly doubtful. (The joint resolution itself contains a provision "That no requirement of eligibility for employment under such Emergency Relief Appropriation Act of 1938, as amended, shall be effective which prohibits the employment of persons 65 years of age or over or women with dependent children." As a matter of fact, the W. P. A. has already taken action to drop such persons, and the number remaining on the rolls is negligible. As to unemployment compensation, the effects will not be noticeable in the W. P. A. for the next 6 months, because in order to be eligible for such benefits workers must have been employed in private industry during the past 6 months. This could thus affect only new persons coming on to the rolls. A person now on the W. P. A. who would be dropped from the rolls under a \$725,000,000 appropriation obviously would not be eligible for unemployment compensation benefits.)

4. That there will be an increase in private employment, and God grant that this may be so, but if there is an unusual increase in all four of these activities it could not justify firing 2,000,000 workers from the W. P. A. which must be done for the \$725,000,000 to be adequate.

All of these factors were taken into account in the President's recommendation of \$875,000,000. In fact, Colonel Harrington testified that—

"This recommendation was based on the assumption that the recovery which has occurred since July 1938 will continue at an increased rate. In fact, a further increase of 1,500,000 in private employment between December and June will be necessary to bring about the contemplated reduction of 400,000 in W. P. A. employment, if arbitrary discharges of workers during the winter period of most severe need are to be avoided."

"This estimated increase of 1,500,000 workers in private employment includes those who obtain jobs working for private contractors in connection with the Public Works Administration program and also those who find work in the factories as the result of the indirect employment of the Public Works Administration program."

"On the basis of past experience, that estimate appears to be on the optimistic side. * * *

"I want to make it perfectly clear that this estimated increase of 1,500,000 workers in private industry will be drawn from the entire group of the 11,500,000 unemployed and that at best W. P. A. workers cannot expect to get more than their proportionate share of these jobs. In December the 3,100,000 persons working on W. P. A. jobs represented 27 percent of an estimated 11,500,000 unemployed at that time. If W. P. A. workers obtain 27 percent of the 1,500,000 jobs, this would mean a reduction of about 400,000 in W. P. A. employment between December 1938 and June 1939" (p. 40, hearings before the Committee on Appropriations, United States Senate).

RELIEF CONDITIONS IN 104 CITIES (P. 119)

In Detroit the mayor claims that it is highly imperative to continue the present W. P. A. quotas.

In Cleveland, 71,000 men and women employed on W. P. A., and 16,500 men and women certified as eligibles but not able to get work on W. P. A.

In St. Louis, 15,741 on direct relief, 3,886 cases pending investigation, and 2,090 people certified awaiting assignment to W. P. A. jobs.

In Chicago Mayor Kelly insists that the need is such that W. P. A. quotas must be maintained.

In Philadelphia there is great need for continuing W. P. A. expenditures.

In Baltimore, 2,200 cases have been certified to W. P. A. without getting jobs.

In Pittsburgh the W. P. A. is laying men off in the face of existing need.

In Dallas, 6,039 now have work, but 1,567 more are awaiting assignment.

In San Francisco the present relief load is greater than last year.

In Milwaukee, 4,800 workers certified for W. P. A. are awaiting a chance to work.

In New Orleans, 2,735 cases are reported for whom jobs are not available.

Cincinnati reports that it is necessary to carry the present load. In Newark, 25,000 persons had been certified, and only about half of them had been assigned.

In Indianapolis there were 1,273 families that could not be assigned work.

In Rochester the relief load was climbing steadily, and it was believed that it had not reached its peak.

Louisville reports 6,000 employed on W. P. A., 1,100 awaiting assignment.

Portland, Oreg., stated it was necessary to maintain the present quota.

Atlanta, Ga., reports 14,763 persons employed on W. P. A. and 6,000 cases receiving no assistance.

In Toledo the outlook for reductions is not encouraging.

In Denver the mayor did not know how they could face the reduction in W. P. A. employment rolls.

Columbus reported that there was "no indication at the present writing that would lead us to believe that there would be any material reduction in those who need relief."

St. Paul reports serious difficulty with the relief problem.

In Oakland, Calif., the situation is more serious than last year.

Memphis reports 5,700 persons on W. P. A. and 2,000 more eligible and certified.

Dayton reports a very serious relief situation.

San Antonio expects a serious situation to develop unless W. P. A. quotas are maintained.

In Omaha the number actually employed on W. P. A. is 9,375; the number certified but not working, 3,760.

In Grand Rapids more than 500 cases are awaiting assignment.

In Fort Worth a large number of those working had been laid off, and the city's financial situation is alarming.

Oklahoma City reports that the situation is worse than last year.

New Haven strongly favors continuance of W. P. A. at present levels.

In Salt Lake City, 700 needy heads of families have been deprived of employment because of lack of W. P. A. funds.

In Jacksonville, in the event of W. P. A. discontinuance, thousands would be without food, shelter, and clothing.

Springfield, Mass., reports that without W. P. A. the city would face an almost impossible financial situation.

Des Moines, with a population of 155,000, has a relief load of 41,000, or about 26 percent.

In Miami, with 4,389 eligible in December, only 2,603 were employed.

In Spokane unemployment is as heavy as, if not heavier than, it was in 1933.

Trenton reports complete financial inability to meet needs.

In South Bend the needy are increasing at the rate of 200 a day.

In Flint, Mich., 2,500 are eligible for W. P. A. employment but cannot obtain it.

Elizabeth, N. J., would be unable to get along without continuance of W. P. A. relief.

In New Bedford the relief load is increasing.

In Knoxville it is imperative that W. P. A. be continued on the present basis.

In Reading no curtailment is possible if needs are to be met.

Youngstown reports that any reduction in W. P. A. employment would be disastrous to the community.

In Erie 900 employees have been dismissed in 2 months.

Norfolk reports that no reductions are possible.

In Schenectady only 50 percent of employables on relief are taken care of by W. P. A.

Lowell is opposed to any reduction.

Evansville reports that what would happen if W. P. A. had to close is hard to imagine.

In Duluth, W. P. A. rolls are 42 percent higher than a year ago.

In Tampa, 9,044 are now on relief with 2,196 eligible for assignment to W. P. A.

Waterbury reports a higher relief load than formerly.

In Somerville, relief cases are expected to increase during the present year.

In East St. Louis, 1,935 are certified but unable to get work.

In Rockford the burden is increasing.

In Sacramento the need is greater than ever before.

Topeka requests a 25-percent increase in the W. P. A. quota.

In Kenosha, Wis., 40 percent of the population are receiving relief in some form or another. For the balance of the fiscal year, at least, it is absolutely essential that W. P. A. quotas be maintained.

In Atlantic City the relief load is 34 percent higher than in December 1937.

Columbia, S. C., reports that curtailment or abandonment would seriously injure the city; relief offices are swamped daily with new applications.

In Racine, Wis., many W. P. A. workers have already been laid off, and the situation is difficult.

In Fresno additional relief is badly needed.

Greensboro reports that the city could not meet needs if W. P. A. were seriously cut.

In Madison applications for relief have tremendously increased. Cedar Rapids believes that W. P. A. should be continued at the present level.

Macon reports urgent necessity for relief to be continued. Amarillo is in need of increased relief.

Jackson, Miss., believes that need is as great as at any time during the depression.

Waco is opposed to any curtailment of the program at the present time as being disastrous.

Hazleton reports that dire distress and extreme hardship will beset the community unless present activities are continued.

In Hagerstown, 300 are awaiting assignment to W. P. A.

Long Beach reports 3,800 families on relief with a daily average of 50 new applications.

A group of Wisconsin cities reports 14,000 cases certified without jobs.

In Houston, 1,200 persons have not been assigned to W. P. A. jobs, and 1,200 more are temporarily off the W. P. A. rolls.

Tacoma reports that 6,500 men have already been removed from the rolls in Washington, and 7,500 more would be let out if the appropriation is reduced.

In Terre Haute, 100 cases are not yet assigned.

Jackson, Mich., reports 400 cases certified but not given work.

In Lancaster, 1,608 are now awaiting W. P. A. assignment.

In Wheeling it is necessary to maintain W. P. A. quotas.

In Berkeley the relief load is increasing.

In Minneapolis not only maintenance of but an increase in W. P. A. quotas is a mandatory necessity for the city.

Birmingham reports 5,000 families that have not received assignment.

In Seattle the city is desperately in need of finances for relief.

Hartford shows a steady gain in relief cases.

In Bridgeport it is imperative that relief be continued at present levels.

In Fort Wayne it is necessary for the W. P. A. quota to be continued.

In Pontiac, 680 cases have been certified to W. P. A. and are awaiting assignment.

In Manchester, with 3,919 people already on W. P. A., 9,000 more have been thrown out of work by the closing of the Amoskeag Co.

In Highland Park it is absolutely necessary to have W. P. A. relief.

In Irvington, 464 eligible cases do not have W. P. A. employment.

In East Chicago continuance of relief is necessary, as industries are operating at not more than 25 percent of capacity.

In Cicero the W. P. A. quota is not sufficient for those who need employment.

In Akron, with 19,876 eligibles on the rolls, 2,140 are unemployed.

Mayor Kelly of Chicago says, "I would dislike to predict what will happen if more relief work is not provided."

The Newark, N. J., mayor says, "If House reduction of W. P. A. appropriation to \$725,000,000 is supported by the Senate, it means that every city in the United States will suffer 40-percent cut on W. P. A. program."

Pittsburgh reports that a cut will mean that more than 10,000 workers will be laid off in Allegheny County.

Milwaukee strongly endorses \$875,000,000.

Altoona is earnestly in favor of the \$875,000,000 proposal.

New York City's reduction would be 66,700 and the mayor says, "Now neither I nor any other mayor of any city can possibly absorb that number, gentlemen."

EMPLOYMENT SCHEDULE UNDER DEFICIENCY APPROPRIATION OF \$725,000,000 TO THE WORKS PROGRESS ADMINISTRATION

"Assuming that reductions prior to April 1 are limited to 5 percent of present employment, as provided by amendment in Senate bill.

Month	Employment at end of each month	Average employment during month	Cost at \$61 per worker
	Thousands	Thousands	Millions
February.....	3,000	3,000	\$183
March.....	2,850	2,925	176
April.....	2,350	2,600	159
May.....	1,650	2,000	122
June.....	1,050	1,350	82
			725

There was a peak of 3,350,000 on W. P. A. work in November 1938. There were 750,000 awaiting assignment on W. P. A. work but who have never been assigned. That makes 4,100,000 needing W. P. A. work in November.

Now, under the above figures, if \$725,000,000 only is appropriated, we shall reduce the number on W. P. A. work and those who were eligible for this work in November, a total of 4,100,000, down to 1,050,000 at the end of June.

REDUCTION IN NUMBER OF WORKERS EMPLOYED UNDER DEFICIENCY APPROPRIATION OF \$725,000,000 TO THE WORKS PROGRESS ADMINISTRATION, BY STATES

"Assuming that relative distribution of need continues on present basis and that reduction prior to April is limited to 5 percent of present employment as provided by amendment in Senate bill.

State	Employment Dec. 31, 1938	Estimated employment last week in June 1939	
		Number	Reduction from Dec. 31
Total.....	3,081,300	1,050,000	2,031,300
Alabama.....	61,500	20,900	40,600
Arizona.....	11,400	3,900	7,500
Arkansas.....	49,900	17,000	32,900
California.....	118,500	40,400	78,100
Colorado.....	31,800	10,800	21,000
Connecticut.....	28,900	9,800	19,100
Delaware.....	4,000	1,400	2,600
District of Columbia.....	13,800	4,700	9,100
Florida.....	52,400	17,800	34,600
Georgia.....	63,500	21,600	41,900
Idaho.....	11,100	3,800	7,300
Illinois.....	241,000	82,100	158,900
Indiana.....	85,800	29,200	56,600
Iowa.....	31,500	10,700	20,800
Kansas.....	36,900	12,600	24,300
Kentucky.....	67,000	22,800	44,200
Louisiana.....	53,100	18,100	35,000
Maine.....	10,900	3,700	7,200
Maryland.....	19,500	6,600	12,900
Massachusetts.....	127,900	43,600	84,300
Michigan.....	145,500	49,600	95,900
Minnesota.....	66,500	22,700	43,800
Mississippi.....	48,600	16,500	32,000
Missouri.....	109,100	37,200	71,900
Montana.....	20,600	7,000	13,600
Nebraska.....	27,800	9,500	18,300
Nevada.....	2,600	900	1,700
New Hampshire.....	11,200	3,800	7,400
New Jersey.....	103,000	35,100	67,900
New Mexico.....	11,800	4,000	7,800
New York City.....	179,600	61,200	118,400
New York: Up-State.....	66,000	22,500	43,500
North Carolina.....	53,900	18,400	35,500
North Dakota.....	15,100	5,100	10,000
Ohio.....	261,200	89,000	172,200
Oklahoma.....	69,500	23,700	45,800
Oregon.....	19,300	6,600	12,700
Pennsylvania.....	261,500	89,100	172,400
Rhode Island.....	16,400	5,600	10,800
South Carolina.....	43,600	14,900	28,700
South Dakota.....	16,000	5,500	10,500
Tennessee.....	53,500	18,200	35,300
Texas.....	112,300	38,900	73,400
Utah.....	14,900	5,100	9,800
Vermont.....	8,200	2,800	5,400
Virginia.....	31,600	10,800	20,800
Washington.....	53,300	18,200	35,100
West Virginia.....	50,200	17,100	33,100
Wisconsin.....	78,600	26,900	51,700
Wyoming.....	4,800	1,600	3,200
Hawaii.....	3,100	1,100	2,000
Virgin Islands.....	1,400	500	900

REDUCTION IN NUMBER OF WORKERS EMPLOYED UNDER DEFICIENCY APPROPRIATION OF \$725,000,000 TO THE WORKS PROGRESS ADMINISTRATION, BY LARGE CITIES

"Assuming that relative distribution of need continues on present basis and that reduction prior to April is limited to 5 percent of present employment, as provided by amendment in Senate bill.

In selected cities	Employment Dec. 31, 1938	Estimated employment last week in June 1939	
		Number	Reduction from Dec. 31
Akron, Ohio.....	18,400	6,300	12,100
Atlanta, Ga.....	15,200	5,200	10,000
Baltimore, Md.....	4,800	1,600	3,200
Birmingham, Ala.....	13,500	4,600	8,900
Boston, Mass.....	29,800	10,200	19,600
Buffalo, N. Y.....	10,000	3,400	6,600
Chicago, Ill.....	114,400	39,000	75,400
Cleveland, Ohio.....	72,200	24,600	47,600
Dallas, Tex.....	6,300	2,100	4,200
Detroit, Mich.....	56,400	19,200	37,200
District of Columbia.....	12,500	4,300	8,200
Flint, Mich.....	5,400	1,800	3,600
Kansas City, Mo.....	15,700	5,400	10,300
Los Angeles, Calif.....	35,300	12,000	23,300
Milwaukee, Wis.....	26,000	8,900	17,100
Minneapolis, Minn.....	15,900	5,400	10,500
Newark, N. J.....	17,400	5,900	11,500
New Orleans, La.....	21,800	7,400	14,400
New York, N. Y.....	179,600	61,200	118,400
Philadelphia, Pa.....	23,900	8,100	15,800
Pittsburgh, Pa.....	39,100	13,300	25,800
St. Louis, Mo.....	33,100	11,300	21,800
San Francisco, Calif.....	19,800	6,700	13,100
Toledo, Ohio.....	20,800	7,100	13,700

We may later vote large sums to build battleships, airplanes, and provide other armaments. We might well question whether that type of expenditure, even from a national-defense standpoint, is of more value than preserving the underlying strength of the Nation—the strength, health, and morale of its citizens.

As the President said in his message to Congress on January 4, 1939:

"Under modern conditions what we mean by 'adequate defense'—a policy subscribed to by all—must be divided into three elements. First, we must have armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. Secondly, we must have the organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack * * *.

"If these first two essentials are reasonably provided for, we must be able confidently to invoke the third element, the underlying strength of citizenship—the self-confidence, the ability, the imagination, and the devotion that give the staying power to see things through.

"A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military standpoint may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissension between capital and labor, by false economy, and by other unsolved social problems at home."

The minority think that it is quite as important, if not more important, to conserve our manpower rather than to build additional airplanes, additional battleships, and to add enormously to our Army at this time.

The Senate majority disagrees with the House in its reduction for February and March and requires substantially the same amount to be spent in February and March as was expended in January. So far so good. But when it comes to April, May, and June, there is only \$363,000,000 left for those 3 months as against \$362,000,000 for February and March. This amounts to a cut from about 3,000,000 persons to 1,050,000 in 5 months. In other words, for those now obtaining relief, there is a cut of two-thirds in 5 months.

Is it possible this Senate is going to take the view that we can cut off two-thirds of the W. P. A. work in 5 months? Is it sensible? Is it wise? Is it defensible? Is it humane? We say it is not any of these things!

Respectfully submitted.

KENNETH MCKELLAR.

Mr. BYRNES. Mr. President, I do not intend at this time to do more than make reference to the subject that has been discussed within the last few minutes. First, as to the amendment pending and the provisions of the amendment to remove from the rolls those who are not actually in need, the Senator from Idaho has referred to the wisdom of some such effort being made. I wish to call to the attention of the Senator from Idaho and the Members of the Senate the result of an investigation made last April by the special committee appointed to investigate unemployment and relief. We sent investigators to five cities, namely, Atlanta, Baltimore, New York, Omaha, and Pittsburgh. We endeavored to select cities in different sections of the country in order to get a cross section. We wanted to ascertain something about those who are on the rolls, how long they had been there.

In the five cities mentioned there were on the Works Progress Administration rolls at the time of the investigation 26,736 workers classified as skilled workers. Of this number, 7,982 were interviewed. Of the number interviewed, 5,049, or 63 percent, when asked the question, stated that they had other employment. Of the total number interviewed, 6,454, or 81 percent, had been on the Works Progress Administration pay rolls constantly since January 1937.

Of the 5,049 workers who admitted outside earnings, 4,312, or 85 percent, had such other employment during the same month for which they had already received pay from the Works Progress Administration.

A little less than one-fourth (1,036 of 4,312, or 24 percent) were found to be working in outside employment at the same occupations at which they were employed by Works Progress Administration and at lower hourly rate of pay than they were paid by W. P. A.

Of the 4,312 workers who had outside earnings during the same month of their employment by Works Progress Administration, 2,389 gave the names of their employers. A number of these employers were interviewed, namely, 1,330. In the great majority of cases the amount of the outside earnings was much in excess of the amount stated by the worker himself.

That shows the necessity for an investigation such as is directed by the amendment now pending. If the investigation is made, as the Administrator promises, he will remove a sufficient number who really are not in need as will make it possible to give employment to many who have been certified. It does not follow that because a man has been employed constantly since January 1937 that he is not in need, but it does follow in the vast majority of cases that he should be better able to take care of himself. Coming right

home here to the District of Columbia, a carpenter will be employed at an hourly wage of \$1.75 an hour. The security wage is \$73 per month. When he has worked 42 hours he has made his security wage. That is five 8-hour days. He cannot work any more for the remainder of the month; he is laid off; he can go fishing, he can frolic, or he can go to other work. He can, for instance, go to Chevy Chase and when he is asked to build a garage for someone he can receive employment at a lower hourly wage and put some union workman out of business.

He will take a job away from the man who has never been on relief. If such an investigation is made, it will be possible under the \$725,000,000 appropriation to put many on the rolls.

The Director told the subcommittee that in New York State 21 percent had been on the rolls since the beginning of the program. That is what he found by the sampling process. It is not an absolutely correct process, but by taking sample cases of workmen they find out how long they have been on the rolls, and 21 percent have been on the rolls ever since this program was started. If we go into this matter, we will find it possible to make places for many on W. P. A. projects.

Now, about the figures. It will be remembered the Senator asked me a few moments ago why it was that whenever we had a relief bill we had so many sets of figures. I will admit that seems inevitable. One difficulty is that my good friend from Tennessee, whose table is in the minority report, does not figure exactly as the majority of the committee figured. If Senators will look on page 7 of his report, the report from which he has been reading, they will find that he gives what he says, or somebody says, would be done under the appropriation of \$725,000,000.

Mr. McKELLAR. It is what the Administrator says would be done.

Mr. BYRNES. That is what I should like to know. If these figures are from the Administrator, that is exactly what I want to know because I never like to say unkind things about any department official. He is not here to answer for himself, and it is not fair. But if the Administrator presented these figures to the Senator, as he says, then the Senate ought to know exactly what the Administrator has done. Who says that this \$725,000,000 would be allotted in this way? The Administrator? How would he allot it? He says he will allot \$183,000,000 for the month of February. The Senator from Colorado has heretofore explained that the Administrator has said—and no one will question that the Administrator has said—he has sufficient money to pay all his expenses up to February 7. I know he has more, but he says he has sufficient to keep going up to that date. Then, if he has enough up to that date, what excuse has he for sending to the Senate a table saying that the \$725,000,000, which the other House provided and which is the amount recommended by the committee, would be apportioned so as to spend \$183,000,000 for 3,000,000 workers for the whole month of February? He has already got, he says, enough for the first 7 days and that leaves only 21 days; that is, 3 weeks. I will state what it would cost, not as the Administrator would have it figured, but as the committee would figure it.

From February 7 to March 1 is 3 weeks, and that is the time we have to provide for. How many persons are there? Three million. How much will it cost? Sixty-one dollars per man per month. For 3 weeks this amounts to \$137,250,000.

From March 1 to April 1, reduce it by the 5 percent allowed in the joint resolution, and we have 2,850,000 persons. At \$61 a month it amounts to \$173,850,000.

From April 1 to May 1 we have 2,500,000 persons. At \$61 a month it amounts to \$152,500,000.

From May 1 to June 1 we have 2,300,000 persons at \$61 per man per month which amounts to \$140,300,000.

From June 1 to July 1 we have 2,000,000 men. At \$61 a month it is \$122,000,000, making a total of \$726,900,000.

That makes up the total of \$726,900,000 without ever reducing the number of men on the roll below the figure of 2,000,000.

How does Colonel Harrington arrive at this result? If you look at the figures, I will tell you the difference. The Senator from Tennessee has not called attention to it. He said they were not his figures; but what has happened is that the Administrator sent this statement up here:

He says the employment at the end of each month will be 3,000,000. He charges up 3,000,000 for the whole 28 days of February.

Then the next month he says the employment will be 2,850,000. He says there will be an average employment of 2,925,000. Instead of calculating 2,850,000 at \$61 a month, he calculates 2,925,000 at \$61 a month. Consequently, he uses up nearly \$179,000,000. He puts in an average every month. He submitted innumerable statements to the Appropriations Committee, and never before this occasion has such a statement been submitted to us.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. Yes.

Mr. BARKLEY. It is perfectly obvious how the Administrator arrives at that figure. He starts out on March 1 with 3,000,000 men, and on the 15th with 2,925,000 men, and on the 31st with 2,850,000 men; so the average would be the number on the 15th.

Mr. BYRNES. That is what I have said. Never before has the Administrator averaged them; but when he wants to present a figure to reduce the total number under the \$725,000,000 down to 1,000,000 persons, he puts in an average. Why should he do it? If he followed that plan, he would do what he has no right to do. I certainly will never have the same opinion of him if he does it. He can do it the way the committee suggests—reduce them on the 1st of the month instead of at the end of the month—and he will never get below 2,000,000 men. He will never have occasion to do it. But, Mr. President, I know that whenever a man becomes interested and wants to make out a bad case, he will show a terrible case.

No such figures were submitted to the House. When did it occur to the Administrator that he would have to reduce the figures to this amount? Not until the last 48 hours. No man can explain his telling us, in House and Senate, that he had enough money to pay all of his expenses to February 7 and then coming in here and saying, "Yes; but if you do not give me more than \$725,000,000 I shall not have a cent to February 7, and I shall have to include all that in my figure."

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. BYRNES. Yes; I yield.

Mr. SMATHERS. I cannot understand why some member of the committee did not ask the colonel himself to explain this discrepancy when I understand he was before the committee four or five times. Will the Senator from South Carolina enlighten me on that subject?

Mr. BYRNES. Mr. President, as to this figure there was no discrepancy. It was apparent. Here is a statement submitted now in a minority report, and I see it for the first time, saying that persons are going to be counted who have already been accounted for. No member of the committee would ever dream that when the Administrator said he had money to February 7, he was then asking for money to carry him from February 1. We naturally assumed in our figures that he meant just what he said time and again. He has money to carry him up to February 7, according to his own statement; according to our belief, additional money; but that is a more controversial matter. There is no controversy about his having this money. It is a difference of \$45,000,000, and it makes all the difference in the world in the number of persons who are to be taken care of.

As to the other statement, I will say to the Senator that I do not know about others, but when a gentleman appears before the committee with a statement as to balances I ask him questions endeavoring to find out his statement as to what he has on hand. I did that in this instance, time and again, as the testimony which has been read here today shows, in an honest effort to find out the unexpended balances and the available funds. It may be that I am wrong, but I have

never gotten anywhere by engaging in arguments with witnesses before the committee. I helped the colonel to present his views on the unexpended balance; but let me tell you about that.

The colonel said there were \$313,000,000 available January 1. It is simple mathematics to say, if that is the fact—and it is—and we have 3,000,000 men, and have to calculate their cost at \$60 a month, not more than \$180,000,000 can be spent out of the \$313,000,000 up to February 1. Then he has to go from February 1 to February 7, and that is going to cost \$45,000,000, and when we take those figures, according to any calculation at all, he has \$133,000,000 less \$45,000,000.

In order to explain the matter it is suggested that he has outstanding bills. I have said time and again, and say now, that the W. P. A. has no authority to contract obligations for anything except to pay men on the rolls and to pay material costs. The number of men on the rolls is fixed, and under the law the material costs may not exceed \$7 a month per man, which is \$21,000,000 if we have 3,000,000 men.

That involves no criticism of the integrity of Colonel Harrington. I have been on the Appropriations Committee in the House and Senate for years and years, and he would not be the first man who appeared before us who has made a mistake. He will not be the last man who will make mistakes in presenting figures. Time and again we have found out upon investigation that the witnesses were wrong; but I do find one thing, that when they are wrong they generally are wrong on the side of safety for the department. Whether it be the Army, the Navy, or any other department, when it comes to figures they are always cautious enough to look after the department. But there is no question about this \$45,000,000 when a man has the money to February 7.

Something was asked about the unemployed. Let me call attention to that matter.

I have the statistics issued this afternoon by the Labor Department, with the latest figures of the Bureau of Labor Statistics as to the employed. We have no statistics about the unemployed that are of value. The only statistics of any value are those of the Biggers census. The Biggers census, with its check, was a matter of estimate in many ways.

The Labor Department go at the matter as the National Industrial Conference Board and other organizations have gone at it. They obtain the number of employed from every possible source, and then they take the number of gainfully employed persons according to the last census, that of 1930; they deduct the number of employed that they have from that figure, and that is how they get their figure. This afternoon the Labor Department say that the figure of employed for December is 32,945,000. In January 1938 the number employed, according to them, was 32,177,000. That is, there were approximately 800,000 more employed as of the 15th of January 1939 than there were last January.

The interesting thing here is that 800,000 more persons are employed now than were employed last January. Last January General Motors discharged 30,000 men in one order. Chrysler followed. The other automobile companies and the motor-accessories companies did likewise. We had the most serious situation confronting us that we could recall since 1933. The Senator from Montana [Mr. MURRAY] and the Senator from New Mexico [Mr. HATCH] will remember how we investigated it.

Mr. MURRAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Montana?

Mr. BYRNES. I do.

Mr. MURRAY. Is the Senator sure we are not going to confront that situation again? In the case of one industry in this country, in Montana, I have just received information that one of the largest mines there has shut down and thrown 975 men out of work out there; and smelters also are shutting down.

It seems to me that a Senator is at a great disadvantage if he does not serve on the committee which handles these bills. When the bills come on the floor, what is said sounds like Greek to most of us. I only know that there are about

10,000,000 or 11,000,000 unemployed men in this country, and that if this appropriation is going to be cut as is proposed in the joint resolution now before the Senate we are going to see again this year the same thing that we had in 1937 and 1938.

Mr. BYRNES. Mr. President, I am sure my friend does not mean that if we do not add \$150,000,000 to this appropriation we are going to have the unfortunate condition of January 1938. This administration started a pump-priming program last April. We authorized the expenditure of a billion and a half dollars, and we put an unlimited amount into W. P. A. We made innumerable appropriations for the pump-priming program that we said was absolutely relieving unemployment; and the proof that we are right and that the Senator is wrong is that this afternoon the figures of the number employed show that under the program of this administration unemployment is decreasing instead of increasing.

Mr. HATCH rose.

Mr. BYRNES. There is an increase this month over last month. There is an improvement. Some town, some industry, may be affected, but in the whole picture, the situation has improved. No man can be sure of everything, but of this we can be certain, that if by the spending of Government money unemployment can be stopped, then Congress has done its part to stop it, for between now and June 30 we will spend more money than has ever been spent by the Government in time of peace in the history of this Nation. There is no decrease in public expenditures. The spending will continue less because a billion and a half dollars of P. W. A. money will not get moving until the next 30 days. They cannot build until warmer weather. A thousand contracts over this Nation are about to be started upon and the money spent under them will go out between now and June 30.

Appropriations have been requested to increase armaments, and other measures will come before us asking for money. If spending by Government is going to stop the unemployment, it will not rest on the conscience of the Senator from Montana or the Senator from South Carolina. The good Lord above, as well as the taxpayer here below, will know that we have done our part.

Now I yield to the Senator from New Mexico.

Mr. HATCH. The Senator from South Carolina has fully covered the question I was about to ask him when he started, because I wanted to develop the increased program which is to go into effect in the next few months, about which we all know, and for which provision has been made.

Mr. BYRNES. Let me answer the Senator in this way. Under the distribution of this \$725,000,000 which the majority of the committee approves, we would reduce—and the Administrator would have to abide by this—not more than 5 percent from March 1 to April 1. That would bring the number down to 2,850,000. Then we would reduce the number by 350,000, the largest reduction.

Is it not wise to make that reduction? What is the testimony? Colonel Harrington says that 50 percent of the increase from June to December occurred in Southern States, in agricultural sections, hurt because of the drop in cotton prices. When April comes, those people are needed back upon the farm. If we are going to pay \$26 to agricultural workers to work not more than 120 hours a month, how in the world will the farmers of this Nation ever get labor in April, when farm operations are resumed? Today these people are on W. P. A. With warmer weather, when building operations start, when contractors get to work on these P. W. A. contracts throughout the country, they will need workers. Where will they get workers? In many instances they will have to come from W. P. A. employees, and we provide for a reduction of only 325,000 at that time. Is that not enough? The Senator from Arizona [Mr. HAYDEN], one of the ablest men I have known in my long service here, made the statement before the committee that in his State of Arizona in one county, because they had a very capable director, 2,000 agricultural workers last year were sent back

to the farm, 2,000 in one county. If only 100 persons in every agricultural county were sent back to the farm we would have approximately the reduction provided for without a reduction elsewhere.

It is all right when they are on the farms in January and December to give them employment, but when April comes, we cannot go to the farmer who is getting ready to plant his wheat and cotton, and ask him to compete with the W. P. A. paying \$26 in the South and West for 120 hours a month. We have to have some cooperation on the part of the Government to give the farmers of the Nation a chance to compete.

Mr. BARKLEY. Mr. President, can the Senator give us any statistics showing what proportion of the 3,000,000 men now on the rolls have moved from the farms into town or, without moving, have obtained employment under the W. P. A.?

Mr. BYRNES. No; I do not recall any such statistics. The only statement made about that was the one to which I have referred, the statement of the director that from June to December—I think those were the months—50 percent of the increase was due to putting agricultural workers upon the rolls.

Mr. BARKLEY. Of course, without any authoritative figures, I would suppose that in view of the large industrial unemployment throughout the country, in the larger towns and cities, it would be a small proportion of the entire number of 3,000,000 who would be moving in after the crop season was over and had gotten employment in the W. P. A.

Mr. BYRNES. I think the Senator is wrong and the director is right about that, according to the figures. The figures indicated that there had been a considerable increase in the agricultural States up to November 23, when for some reason there appears a decrease.

Mr. BARKLEY. The Senator has referred to the rearmament program, which he estimates will result in the employment of a considerable number of people.

Mr. BYRNES. I think a slight increase.

Mr. BARKLEY. That is what I was about to call attention to. The President recommended the expenditure of five hundred and some million dollars over a period of 2 years beginning July 1, \$210,000,000 of which was to be available for expenditure in the fiscal year 1940 and around \$300,000,000 in 1941. So that would not have any appreciable effect on employment in the near future.

Mr. BYRNES. Mr. President, I have always thought that that could not be considered as likely to have any appreciable effect on employment. My statement was in answer to the question about the public spending.

Mr. CLARK of Missouri. Mr. President, to the extent to which the money is expended, to the extent to which people are employed, it certainly will be calculated to improve conditions.

Mr. BARKLEY. Of course, that program of expenditure will not begin until July 1.

Mr. CLARK of Missouri. It is proposed to make the appropriations immediately available.

Mr. BARKLEY. The appropriations have not even been brought in. The committees have not reported. No one knows when the money will be available.

Mr. CLARK of Missouri. That is part of the general program, as the Senator well understands.

Mr. BARKLEY. Yes; but it is not to take effect immediately. Besides that, the appropriation itself, coming, as it no doubt will, in a general appropriation bill or deficiency bill, after the authorization has been passed, as a matter of law, will be bound to come later on in the session, so that it could not have any effect immediately.

Mr. CLARK of Missouri. Mr. President, will the Senator from South Carolina yield for a further suggestion along that line?

Mr. BYRNES. Certainly.

Mr. CLARK of Missouri. Already a huge amount has been authorized at the last session of Congress and the session before which may be appropriated at any time.

Mr. BARKLEY. Yes; but the money has to be appropriated first. It has not been.

Mr. BYRNES. It has not been; but certainly, if the Senator from Kentucky is right, it is the first information I have had that it was not our intention to make the appropriations at this session of Congress, and to make the money immediately available.

Mr. BARKLEY. I am not saying it is not to be made immediately available whenever the appropriation is passed, but in the very nature of things the authorization must come in first and pass both Houses and become a law; then the appropriations will follow; and assuming that \$200,000,000 of that money should be available even to cover the last of this year, from the time the appropriation is passed, during the rest of 1939 and all of 1940, including about \$210,000,000, as I recall, the point I am making is that there could not be any appreciable reemployment of people, even between now and July 1, under those circumstances, under the rearmament program.

Mr. BYRNES. I am not going to agree with the Senator from Kentucky that the rearmament program is not going to help the country to some extent in the matter of employment. To the extent that the money is spent, it will help, and that is all. If it is not the purpose to spend it now, then we might as well let it alone until the regular annual supply bill comes in. If it is the intention to spend it now, an additional estimate will be submitted whenever an authorization is passed, and that, of course, is a matter as to which we are uncertain. Only to the extent that the money is made available will it have effect.

Beginning January 1, 23 States started the operation of unemployment-insurance programs. I am not willing to say that before June 30 we will not have some good effect from the appropriations for unemployment insurance. It has helped in other States of the Nation; it is bound to help in all where it is in operation. It is said that many of these people are on W. P. A. and could not be affected by that. According to the statement of the director, each week there are some employees who lose their jobs and who come hunting jobs with W. P. A. To the extent that unemployment insurance is paid to them and they accept it, they cannot take jobs on W. P. A. Unemployment insurance is to be operative in 23 States where it did not operate up to January 1. Therefore, I am not so pessimistic about the condition.

I just know that when we speak about increasing this amount I look back to January 1938, when we had the worst conditions, when industries were closing down, with unemployment insurance in only half the States. We have had another W. P. A. program since that time, we have had a pump-priming program, and people are going back to work. All that we hope, with the appropriation of \$725,000,000, is that from July 1, in the middle of the summer, with no snow on the ground, with no automobile industry shutdown, with the farmers clamoring for workers, we will have on the rolls 2,000,000, and 2,000,000 will be more than we had last January, in the dead of winter, under the most adverse conditions.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The CHIEF CLERK. On page 2, line 15, after the numerals "1939", it is proposed to insert the following:

Provided further, That prior to April 1 there shall be no administrative reduction of more than 5 percent in the number of employees upon Works Progress projects and that the funds available for the remainder of the fiscal year shall be apportioned in the discretion of the Administrator: *Provided further*, That should there arise an emergency which in the opinion of the President would require the submission of an estimate for an additional appropriation, the President in submitting such estimate shall submit a statement as to the facts constituting such emergency: *Provided further*, That the Administrator shall immediately cause to be made an investigation of the rolls of employees on work projects and eliminate from such rolls those not in actual need.

Mr. BARKLEY. Mr. President, I think really that amendment ought not to be voted on now. I ask that it go over, for the very reason that has already been mentioned, that the vital part of this whole thing is to decide the amount of money to be appropriated. I do not know what the result

will be, but if the larger amount should be appropriated I imagine that the Administrator would work out a gradual process of reduction. He might reduce more than 5 percent or he might reduce less. But I am wondering whether in advance of fixing the amount we ought to say that during the 2 months he could reduce only 5 percent, if the situation should develop so that he could reduce 6 percent. I see no harm in postponing the vote on this amendment until the other amendment to be offered by the Senator from Tennessee [Mr. McKellar] is voted on.

Mr. BYRNES. Mr. President, let me ask the Senator from Kentucky if he would not be willing to have the Administrator reduce the number more than 5 percent?

Mr. BARKLEY. Yes; but the Senator will also admit that if the committee had reported \$875,000,000 as the amount of the appropriation it would not have been necessary to put the language of the amendment in the measure.

Mr. BYRNES. Mr. President, I think there may be a misunderstanding there. Regardless of the amount, I am going to ask the Senate to vote on the question of preventing a reduction of more than 5 percent. I believe that Congress should have something to say about a matter of that kind, and Congress can say that there should not be a reduction of more than 5 percent. There was no controversy about that in the committee, and the statement of the Administrator was—

Mr. BARKLEY. Mr. President, the Senator says there was no controversy about it in the committee. That amendment was put in the measure after the committee had decided to limit the appropriation to \$725,000,000.

Mr. BYRNES. No; as a matter of fact it was not. Because that was an amendment proposed by the subcommittee, it was voted on first, and the amendment which was offered by the Senator from Tennessee was voted on later.

Mr. BARKLEY. It may not be a vital matter, but it seems to me—

Mr. BYRNES. It is not a vital matter, and the Administrator would not object to retaining 2,000,000 people and not reducing the number more than 5 percent.

Mr. GREEN. Mr. President, if I remember correctly, at the meeting of the committee there was a discussion of this matter, and I asked the question how this provision was consistent with another provision in the joint resolution in the way of an amendment which provided that there should be a "purge," so-called, of the rolls. If that purge should turn out as some of the critics of the W. P. A. think it will, and there should be more than 10 percent who ought to be dropped, the language under consideration will prevent the dropping of them, will it not?

Mr. BYRNES. The Senator has used the word "purge." It has not been so pleasant to use on the floor of late. [Laughter.] If the director determines to start immediately, my judgment is that the director could not hope to make as thorough an investigation as he should make if the statements I have heard made are true. I should hope that in 3 or 4 months he would be able to reduce the number by at least 5 percent. I would be of the opinion that we could not expect him to make a "purge"—using the Senator's word again—in the States without making a reduction of 5 percent. It would never bother me if he would reduce more than that.

Mr. GREEN. I do not anticipate that any such investigation will result as the critics of the W. P. A. hope it will.

Mr. BYRNES. Then there would be no harm.

Mr. GREEN. There would be no harm. All I am pointing out is the inconsistency in the two amendments offered by the majority of the committee.

Mr. BYRNES. The majority of the committee did not have any idea that the investigation could possibly get under way at so early a date that the Administrator would be at all embarrassed in complying with the direction of the Congress.

Mr. GREEN. Yes. There is another phase of that matter which ought to be considered, and that is that any such extensive examination as is provided for will cost an additional sum of money over what the present administration must expend.

Mr. BYRNES. Of course that has been given consideration. We have considered it from time to time. In the various States there are white-collar projects on which people are employed, and it will give to them an opportunity to be used as relief workers in those jobs. I could think of no better investment of public money at this time than to try to remove from the rolls those who are not in need, when there are so many in need who really should be on the rolls.

Mr. GREEN. I quite agree with the objective, but does it not mean also an increased expense, and is that a reason for cutting down the appropriation?

Mr. BYRNES. It means increased expense only in that we must employ people, and if we do not employ them at this very praiseworthy objective they might be employed at something not so praiseworthy.

Mr. BARKLEY. If the Senator will yield at that point, I will say that I had contemplated moving that the Senate take a recess at a quarter to 5, because I must attend a conference that will take me off the floor at that time. In view of that situation I wonder if we could not let all the amendments go over until tomorrow.

Mr. BYRNES. I have no objection to that.

Mr. BARKLEY. It is my purpose to move an executive session at this time.

Mr. BYRNES. Mr. President, it is understood that if the Senate proceeds to have an executive session at this time and then recess, I shall have the floor when the Senate resumes tomorrow?

Mr. BARKLEY. Yes. The executive session will be very brief.

Mr. BYRNES. Very well.

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement of my own. I do not want to delay the Senate by reading it, but it has reference to the W. P. A.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

POLITICS OR COINCIDENCE?—STATEMENT OF RUSH D. HOLT

If the W. P. A. pay rolls went up just before one election, it could be called a coincidence but when the W. P. A. pay rolls go up before every election, go down after every election, it just cannot be a coincidence. It is politics.

However, I am willing to present the facts and let the people draw their own conclusions.

I have prepared a number of tables on this subject and a few of them follow.

NO POLITICS

Number of persons employed on Works Progress Administration operated projects

(Source: Testimony, Col. F. C. Harrington, W. P. A. Administrator)

1936 (ELECTION YEAR)	
Jan. 25.....	2,925,605
Feb. 29.....	3,035,852
Mar. 28.....	2,811,637
Apr. 25.....	2,570,315
May 30.....	2,339,740
June 27.....	2,255,898
July 25.....	2,249,357
Aug. 29.....	2,376,565
Sept. 26.....	2,481,566
Oct. 31.....	2,581,208

NOVEMBER ELECTION	
Nov. 28.....	2,482,681
Dec. 26.....	2,191,409

1937 (NO ELECTION)	
Jan. 30.....	2,138,059
Feb. 27.....	2,145,562
Mar. 27.....	2,114,800
Apr. 24.....	2,070,151
May 29.....	1,999,269
June 26.....	1,821,151
July 31.....	1,568,817
Aug. 28.....	1,479,836
Sept. 25.....	1,451,112
Oct. 30.....	1,475,800
Nov. 27.....	1,519,740
Dec. 25.....	1,629,271

1938 (ELECTION YEAR)	
Jan. 29.....	1,900,625
Feb. 26.....	2,075,492
Mar. 26.....	2,394,843
Apr. 30.....	2,581,897
May 28.....	2,678,223

Number of persons employed on Works Progress Administration operated projects—Continued
1938 (ELECTION YEAR)—Continued.

June 25.....	2,767,044
July 30.....	2,966,832
Aug. 27.....	3,066,895
Sept. 24.....	3,120,375
Oct. 29.....	3,245,260
NOVEMBER ELECTION	
Nov. 26.....	3,216,400
Dec. 24.....	3,021,233

Federal expenditures on W. P. A. operated projects, April to November 1938

April.....	\$136,774,471.66
May.....	147,425,201.82
June.....	164,016,816.92
July.....	160,719,253.78
August.....	182,603,682.44
September.....	183,885,799.75
October.....	191,355,351.26
November.....	179,328,606.21

How much more was spent in October 1938 (month preceding general election of 1938) than in April? \$54,580,879.60.

How much more was spent in October than September 1938? \$7,469,551.51.

How much less was spent in November than October 1938? \$12,026,745.05.

Was there a decline in industrial production between April and November? No; according to the Federal Reserve Bulletin, there was an increase from an index figure of 77 to 96.

Was there a decline in factory employment between April and November? No; according to the Federal Reserve Bulletin, there was an increase from an index figure of 85 to 88.

Was there a decline in construction between April and November? No; according to the Federal Reserve Bulletin, there was an increase from an index figure of 52 to 82.

Was there a decline in freight-car loadings between April and November? No; according to the Federal Reserve Bulletin, there was an increase from an index figure of 57 to 68.

Was there a decline in department-store sales between April and November? No; according to the Federal Reserve Bulletin, there was an increase from an index figure of 83 to 84.

Was there a decline in W. P. A. expenditures between April and November? No; there was an increase in W. P. A. expenditures from an index figure of 100 to 139.

Do you think the November election had anything to do with the W. P. A. increase?

W. P. A. employment

October 1936.....	2,581,208
October 1937.....	1,475,800
October 1938.....	3,245,260

How many more W. P. A. employees in October 1936 than October 1937? 1,105,408.

How many more W. P. A. employees in October 1938 than October 1937? 1,769,460.

No general election in November 1937.

A general election in November 1936 and November 1938.

Number added in September and October 1936 (before election), 204,643.

Number decreased in November and December 1936 (after election), 388,799.

Number added in September and October 1938 (before election), 178,365.

Number decreased in November and December 1938 (after election), 224,027.

W. P. A. employment as compared to unemployment

[Unemployment figures are from the American Federation of Labor. Works Progress Administration figures are from the Works Progress Administration]

Date	Works Progress Administration employment	Unemployed
April 1936.....	2,570,315	9,818,975
October 1936.....	2,581,208	8,176,360
Total.....	1 10,893	2 642,615
April 1937.....	2,070,151	8,312,828
October 1937.....	1,475,800	7,705,206
Total.....	2 594,351	2 606,622
April 1938.....	2,581,897	11,064,660
October 1938.....	3,245,260	10,374,741
Total.....	1 663,363	2 689,919

1 More.

2 Less.

Is it a coincidence that 1936 and 1938 were election years with a decline in unemployment and the increase in W. P. A. pay rolls?

In 1937, not an election year, there was a decrease in W. P. A., and at the same time there was a decrease in unemployment.

In 1938, with a decrease of unemployment numbering 83,297 more than in 1937, we find a difference in W. P. A. employment of 1,257,714. No politics? Just a coincidence?

W. P. A. employment as compared to business conditions

(Index for business known as Annalist index, including carloadings, electric-power production, manufacturing, steel and iron production, manufacturing of textiles, shoes, automobiles, lumber, cement, and mining. A combination of all these in order to get an accurate and widespread business index. W. P. A. expenditures taken from Works Progress Administration reports)

	Annalist index	Expenditures for Works Progress Administration
June.....	74.4	\$164,016,816
July.....	79.0	160,719,253
August.....	82.8	182,603,682
September.....	85.2	183,885,799
October.....	88.8	191,355,351
November.....	95.4	179,328,606

A GLANCE AT WEST VIRGINIA W. P. A.

West Virginia W. P. A. pay rolls

Mar. 28, 1936.....	56,433
Mar. 27, 1937.....	37,381
Mar. 26, 1938.....	40,547

Senatorial primary held May 1936. No senatorial primary held in May 1937 or May 1938.

June 27, 1936.....	43,457
June 26, 1937.....	32,059
June 25, 1938.....	47,786

Congressional primary held in August 1938. No primary held in August 1936 or August 1937.

Sept. 26, 1936.....	42,579
Sept. 25, 1937.....	26,958
Sept. 24, 1938.....	53,195

General election held in November 1936 and November 1938. No election held in November 1937.

COMPARISON OF FIGURES SHOWN ABOVE

April 1936 (preceding primary election of May 1936) shows 50.9 percent more W. P. A. employees than April 1937 (an off year). It also shows 15.886 percent more W. P. A. employees than April 1938 (no primary until August of 1938).

July 1938 (preceding primary election of August 1938) shows 51 percent more W. P. A. employees than July 1937 (an off year). It also shows more W. P. A. employees than July 1936.

October 1936 (preceding general election November 1936) shows 58 percent more W. P. A. employees than October 1937 (not an election year).

October 1938 (preceding general election November 1938) shows 97 percent more W. P. A. employees than October 1937 (not an election year).

SENATORIAL PRIMARY MAY 1936

Expenditures in January, February, March, and April 1936.....	\$10,383,192.42
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Expenditures in January, February, March, and April 1937.....	7,994,889.18
Difference between election year of 1936 and year of 1937.....	2,388,303.24

Expenditures in September 1936.....	\$2,294,442.42
Expenditures in October 1936.....	2,765,142.63
Expenditures in December 1936.....	2,284,626.48
Expenditure increase October over September.....	471,300.21
Expenditure decrease December over October.....	480,516.15

General election held in November 1936. No politics! A coincidence!

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Colorado, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 25, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received January 24 (legislative day of January 17), 1939

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Jewell W. Swofford, of Missouri, to be a member of the United States Employees' Compensation Commission for a term of 6 years from March 15, 1939. (Reappointment.)

SECRETARY OF ALASKA

Edward L. Bartlett, of Alaska, to be secretary of the Territory of Alaska, vice Edward W. Griffin, deceased.

UNITED STATES DISTRICT JUDGES

Gaston Louis Porterie, of Louisiana, to be United States district judge for the northern district of Louisiana to fill a position created by the act of Congress of May 31, 1938.

William Baxter Lee, of Tennessee, to be United States district judge for the western and middle districts of Tennessee to fill a position created by the act of Congress of May 31, 1938.

UNITED STATES ATTORNEY

William S. Boyle, of Nevada, to be United States attorney for the District of Nevada. (He is now serving under a recess appointment.)

UNITED STATES MARSHAL

J. Leslie Ford, of Delaware, to be United States marshal for the district of Delaware. (He is now serving under a recess appointment.)

COLLECTOR OF INTERNAL REVENUE

William H. Burke, of Little River, Kans., to be collector of internal revenue for the district of Kansas in place of Harry D. Baker, resigned.

PROMOTIONS IN THE COAST AND GEODETIC SURVEY

TO BE JUNIOR HYDROGRAPHIC AND GEODETIC ENGINEERS (WITH RELATIVE RANK OF LIEUTENANT, JUNIOR GRADE, IN THE NAVY) BY PROMOTION FROM AIDE

William Clarence Russell, of Massachusetts, vice William M. Gibson, promoted.

Junius Thomas Jarman, of Mississippi, vice Ralph L. Pfau, promoted.

HYDROGRAPHIC AND GEODETIC ENGINEERS (WITH RELATIVE RANK OF LIEUTENANT IN THE NAVY) BY PROMOTION FROM JUNIOR HYDROGRAPHIC AND GEODETIC ENGINEER

William Murel Gibson, of Colorado, vice William D. Patterson, promoted.

Ralph Leslie Pfau, of Texas, vice Oliver S. Reading, promoted.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 24 (legislative day of January 17), 1939

POSTMASTERS

LOUISIANA

Georgina C. Kinler, Luling.

MISSISSIPPI

Daniel F. Smith, Carriere.

Maude B. Morris, Mayhew.

SOUTH CAROLINA

Andrew McC. Blair, Rion.

WASHINGTON

Forrest W. Cahill, Kittitas.

Kate T. S. Rush, Osborne.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 24, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O merciful God, our Father, let Thy ear be attentive to the voice of our supplication. We thank Thee for Thyself and for as much of the revelation as we can understand. We pray Thee that Thou wilt make Thyself known by all the tokens which are needful and by all the trials which are helpful and by all the discipline which cleanses. Heavenly Father, may we listen to the inner voice, heed its divine command, and set our ambition on fine achievements for our people. Make manifest unto us the high worth of the entire truth, entire honor, and entire fidelity. Unite us to Thee by those nobler dispositions and spiritual qualities that we may arise above the lower ranges of human life. Breathe Thy holy blessings upon our President, our Speaker, and the Congress assembled, and may the spirit of brotherhood prevail among us. In the blessed name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

COLUMBIA HOSPITAL FOR WOMEN

The SPEAKER. Pursuant to the provisions of the act of June 10, 1872 (17 Stat. L. 360), the Chair appoints as members of the board of directors of the Columbia Hospital for Women the following Members of the House: Mrs. NORTON and Mr. ROBSON of Kentucky.

COLUMBIA INSTITUTE FOR THE DEAF

The SPEAKER. Pursuant to the provisions of section 4863 of the Revised Statutes of the United States, the Chair appoints as directors of the Columbia Institute for the Deaf the following Members of the House: Mr. BLOOM and Mr. KINZER.

NATIONAL TRAINING SCHOOL FOR BOYS

The SPEAKER. Pursuant to the provisions of the act of May 3, 1876 (19 Stat. 52), the Chair appoints as consulting trustee for the National Training School for Boys the gentleman from Oklahoma, Mr. MASSINGALE.

THOMAS JEFFERSON MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution 49, Seventy-third Congress, the Chair appoints the gentleman from Texas [Mr. LANHAM] to fill the vacancy on the Thomas Jefferson Memorial Commission, vice the gentleman from New York [Mr. BOYLAN].

Mr. PATMAN and Mr. THOMAS of New Jersey rose.

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. PATMAN. Mr. Speaker, I ask for recognition under the special order of the House.

The SPEAKER. For what purpose does the gentleman from New Jersey rise?

Mr. THOMAS of New Jersey. Mr. Speaker, I desire to present a question of the highest constitutional privilege.

The SPEAKER. The gentleman will state it.

IMPEACHMENT OF FRANCES PERKINS, SECRETARY OF LABOR; JAMES L. HOUGHTLING; AND GERARD D. REILLY

Mr. THOMAS of New Jersey. Mr. Speaker, on my own responsibility as a Member of the House of Representatives,

I impeach Frances Perkins, Secretary of Labor of the United States; James L. Houghteling, Commissioner of the Immigration and Naturalization Service of the Department of Labor; and Gerard D. Reilly, Solicitor of the Department of Labor, as civil officers of the United States, for high crimes and misdemeanors in violation of the Constitution and laws of the United States, and I charge that the aforesaid Frances Perkins, James L. Houghteling, and Gerard D. Reilly, as civil officers of the United States, were and are guilty of high crimes and misdemeanors in office in manner and form as follows, to wit: That they did willfully, unlawfully, and feloniously conspire, confederate, and agree together from on or about September 1, 1937, to and including this date, to commit offenses against the United States and to defraud the United States by failing, neglecting, and refusing to enforce the immigration laws of the United States, including to wit section 137, title 8, United States Code, and section 156, title 8, United States Code, against Alfred Renton Bryant Bridges, alias Harry Renton Bridges, alias Harry Dorgan, alias Canfield, alias Rossi, an alien, who advises, advocates, or teaches and is a member of or affiliated with an organization, association, society, or group that advises, advocates, or teaches the overthrow by force or violence of the Government of the United States, or the unlawful damage, injury, or destruction of property, or sabotage; and that the aforesaid Frances Perkins, James L. Houghteling, and Gerard D. Reilly have unlawfully conspired together to release said alien after his arrest on his own recognizance, without requiring a bond of not less than \$500; and that said Frances Perkins, James L. Houghteling, and Gerard D. Reilly and each of them have committed many overt acts to effect the object of said conspiracy, all in violation of the Constitution of the United States in such cases made and provided.

And I further charge that Frances Perkins, James L. Houghteling, and Gerard D. Reilly, as civil officers of the United States, were and are guilty of high crimes and misdemeanors by unlawfully conspiring together to commit offenses against the United States and to defraud the United States by causing the Strecker case to be appealed to the Supreme Court of the United States, and by failing, neglecting, and refusing to enforce section 137, United States Code, against other aliens illegally within the United States contrary to the Constitution of the United States and the statutes of the United States in such cases made and provided.

In support of the foregoing charges and impeachment, I now present a resolution setting forth specifically, facts, circumstances, and allegations with a view to their consideration by a committee of the House and by the House itself to determine their truth or falsity.

Mr. Speaker, I offer the following resolution and ask that it be considered at this time.

The SPEAKER. The Clerk will report the resolution.

Mr. YOUNGDAHL. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Minnesota rise?

Mr. YOUNGDAHL. Mr. Speaker, I believe this matter is of sufficient importance to require a quorum present. I make the point of order of no quorum, Mr. Speaker.

Mr. THOMAS of New Jersey. Is not the point of order not in order at this point, Mr. Speaker?

The SPEAKER. The question raised by the gentleman is a constitutional question.

Mr. RAYBURN. Mr. Speaker, the question of whether or not there is a quorum present is a constitutional one, and the Speaker has no discretion in the matter.

The SPEAKER. Does the gentleman make the point of order there is no quorum present?

Mr. YOUNGDAHL. I do, Mr. Speaker.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-seven Members are present, not a quorum.

CALL OF THE HOUSE

Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 5]

Austin	Evans	Kennedy, Michael	Pfeifer
Barton	Ferguson	McArdle	Rich
Bender	Fries	McMillan, John L.	Risk
Brown, Ohio	Gartner	McReynolds	Sabath
Buckley, N. Y.	Gavagan	Maclejewski	Schaefer, Ill.
Cluett	Gerlach	Marcantonio	Seger
Connery	Gillie	Martin, Ill.	Smith, Maine
Cooley	Hancock	Merritt	Somers, N. Y.
Creal	Hare	Mitchell	Steagall
Curley	Hartley	Monkiewicz	Sullivan
Daly	Hendricks	Norrell	Tinkham
Darrow	Holmes	O'Brien	White, Idaho
Ditter	Jenkins, Ohio	O'Leary	Wolfenden
Douglas	Jensen	Oliver	Wolverton
Eberharter	Johnson, Lyndon	O'Toole	Wood

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask that the resolution be read at this time.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 67

Whereas Frances Perkins, of New York, was nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned on March 4, 1933, and has since March 4, 1933, without further nominations or confirmations, acted as Secretary of Labor and as a civil officer of the United States.

Whereas James L. Houghteling, of Illinois, was nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned on August 4, 1937, as Commissioner of the Immigration and Naturalization Service of the Department of Labor, and has since August 4, 1937, without further nominations or confirmations, acted as Commissioner of the Immigration and Naturalization Service of the Department of Labor and as a civil officer of the United States.

Whereas Gerard D. Reilly, of Massachusetts, was nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned on August 10, 1937, as Solicitor of the Department of Labor, and has since August 10, 1937, without further nominations or confirmations, acted as Solicitor of the Department of Labor and as a civil officer of the United States.

Whereas it is provided in article XI, section 4, of the Constitution of the United States of America that:

"The President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for and conviction of treason, bribery, or other high crimes and misdemeanors."

Whereas it is provided in article I, section 2, of the Constitution of the United States of America that:

"The House of Representatives shall choose their Speaker and other officers; and shall have the sole power of impeachment."

Whereas it was enacted by the Senate and House of Representatives of the United States of America in Congress assembled on February 14, 1903, 32 Stat. 828 (sec. 131, title 8, U. S. Code), that—

"The jurisdiction, supervision, and control over the immigration of aliens into the United States, its waters, territories, and any place subject to the jurisdiction thereof, are vested in the Department of Labor."

Whereas it was enacted by the Senate and House of Representatives of the United States of America in Congress assembled on October 16, 1918 (40 Stat. 1012), as amended by the act approved June 5, 1920 (41 Stat. 1008 (sec. 137, title 8, U. S. Code)):

"Sec. 1. That the following aliens shall be excluded from admission into the United States:

"(a) Aliens who are anarchists;

"(b) Aliens who advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group, that advises, advocates, or teaches, opposition to all organized government;

"(c) Aliens who believe in, advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches: (1) The overthrow by force or violence of the Government of the United States or of all forms of law, or (2) the duty, necessity or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or any other organized government, because of his or their official character, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage;

"(d) Aliens who write, publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, distribution, publication, or display, any written or printed matter advising, advocating, or teaching opposition to all organized government, or advising, advocating, or

teaching: (1) The overthrow by force or violence of the Government of the United States or of all forms of law, or (2) the duty, necessity or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage;

"(e) Aliens who are members of or affiliated with any organization, association, society, or group that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subdivision (d);

"For the purpose of this section: (1) The giving, loaning, or promising of money or anything of value to be used for the advising, advocacy, or teaching of any doctrine above enumerated shall constitute the advising, advocacy, or teaching of such doctrine; and (2) the giving, loaning, or promising of money or anything of value to any organization, association, society, or group of the character above described shall constitute affiliation therewith; but nothing in this paragraph shall be taken as an exclusive definition of advising, advocacy, teaching, or affiliation.

"Sec. 2. That any alien who, at any time after entering the United States, is found to have been at the time of entry, or to have become thereafter, a member of any one of the classes of aliens enumerated in section 1 of this act, shall, upon the warrant of the Secretary of Labor, be taken into custody and deported in the manner provided in the Immigration Act of February 5, 1917. The provisions of this section shall be applicable to the classes of aliens mentioned in this act irrespective of the time of their entry into the United States.

"Sec. 3. That any alien who shall, after he has been excluded and deported or arrested and deported in pursuance of the provisions of this act, thereafter return to or enter the United States or attempt to return to or to enter the United States shall be deemed guilty of a felony, and upon conviction thereof shall be punished by imprisonment for a term of not more than 5 years; and shall, upon the termination of such imprisonment, be taken into custody, upon the warrant of the Secretary of Labor, and deported in the manner provided in the Immigration Act of February 5, 1917."

Whereas it was enacted by the Senate and House of Representatives of the United States of America in Congress assembled on February 5, 1917 (39 Stat. 874; sec. 156, title 8, U. S. Code) that—

"Pending the final disposal of the case of any alien so taken into custody, he may be released under a bond in the penalty of not less than \$500 with security approved by the Secretary of Labor, conditioned that such alien shall be produced when required for a hearing or hearings in regard to the charge upon which he has been taken into custody, and for deportation if he shall be found to be unlawfully within the United States."

Whereas title 18 of section 88 of the United States Code provides: "Conspiring to commit offense against United States (Criminal Code, sec. 37): If two or more persons conspire either to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than \$10,000, or imprisoned not more than 2 years, or both. (R. S., sec. 5440; May 17, 1879, ch. 8, 21 Stat. 4; Mar. 4, 1909, ch. 321, sec. 37, 35 Stat. 1096)."

That Frances Perkins, as Secretary of Labor; James L. Houghteling, as Commissioner of Immigration and Naturalization Service; and Gerard D. Reilly, as Solicitor of the Department of Labor, have failed, neglected, and refused to enforce the foregoing and other immigration laws of the United States; and have conspired together to violate the immigration laws of the United States; and have defrauded the United States by coddling and protecting from deportation certain aliens illegally within the United States in violation of the statutes in such cases made and provided.

That the following facts are submitted from the official files of the Department of Labor and other sources for the consideration of the House of Representatives in support of this resolution:

Alfred Renton Bryant Bridges, alias Harry Renton Bridges, alias Harry Dorgan, alias Canfield, alias Rossi, an alien, a native of Australia and a British subject, was admitted to the United States at the port of San Francisco on April 12, 1920, and thereafter filed two declarations of intention to become a citizen of the United States, which he allowed to expire; that the said Harry Bridges, as usually known, did, in the year 1934, become an active labor leader and agitator in the State of California and on the west coast of the United States, and did then and at all times subsequent thereto believe in, advise, advocate, or teach, or was a member of or affiliated with an organization, association, society, or group, to wit, the Communist Party, that believed in, advised, advocated, or taught the overthrow by force or violence of the Government of the United States or all forms of law, or the unlawful damage, injury, or destruction of property, or sabotage; that during the year 1934, and on numerous occasions thereafter, complaints were made to Frances Perkins, as Secretary of Labor, directing her attention to the presence of the said alien, Harry Bridges, within the United States and advising her of the subversive activities of said alien within the United States, of his membership in the Communist Party, and of his affiliation with widely known Communists during the maritime strike in San Francisco, Calif., and of the fact

that there was evidence the said alien, Harry Bridges, believed in, advised, advocated, or taught, or was a member of or affiliated with an organization, association, society, or group that believed in, advised, advocated, or taught, the overthrow by force or violence of the Government of the United States or of all forms of law, or the unlawful damage, injury, or destruction of property, or sabotage; and requests were made of Frances Perkins, as Secretary of Labor, to deport from the United States the said Harry Bridges as an alien engaged in illegal and subversive activities; and that said Frances Perkins, as Secretary of Labor, did thereafter fail, neglect, and refuse, for a period of approximately 4 years, to issue a warrant of arrest for the said alien, Harry Bridges, and did conspire with James L. Houghteling and Gerard D. Reilly ever since their said appointments as Commissioner and Solicitor to violate the laws of the United States and to defraud the United States; and that the said Frances Perkins, James L. Houghteling, and Gerard D. Reilly have committed many overt acts to effect the objects of said conspiracy, as shall be hereinafter shown.

On January 22, 1938, Frances Perkins addressed a letter to Senator ARTHUR H. VANDENBURG, of Michigan, in which she said:

"Since the maritime strike in 1934 the Department has received so many inquiries about Mr. Bridges that about a year ago I asked the Immigration and Naturalization Service to prepare a memorandum containing a complete history of his record."

"This was the status of the case until this fall, when certain persons filed new complaints against him in the Seattle district office of the Immigration and Naturalization Service. These complainants were questioned under oath, and their depositions (at that time there were four) were forwarded to the central office with recommendation that a warrant of arrest be issued. This, you will note, was not a recommendation for deportation as under the immigration rules such recommendation can be made only after a hearing at which time the alien is present with his counsel and given a chance to cross-examine the witnesses against him.

"As is the administrative practice of the Department, the matter was then referred to the Solicitor with a view to determining whether these depositions contain sufficient evidence to justify a formal hearing on charges that Mr. Bridges was deportable.

"It was the Solicitor's view that, while this evidence, as established, indicated that Mr. Bridges might come within the act of 1918, as amended by the act of 1920, the Department should investigate the case with a view to determining whether these deponents were trustworthy persons and whether any other witnesses were available who might corroborate them. Pursuant to the instructions of the Commissioner of Immigration and Naturalization, the Solicitor then proceeded immediately to the west coast, received some new information, and brought to the attention of the field officers some other aspects of the case which should be examined. Upon his return he also questioned Mr. Bridges, who was then in the East, in the New York office of the Immigration and Naturalization Service to obtain a deposition from him.

"As a result of this supplemental information several new avenues of investigation were open, which are still being explored and which have resulted in the discovery of additional witnesses who have submitted depositions. This phase of the investigation has been nearly completed and may soon culminate in a formal hearing.

"Because of this, I do not feel at liberty to divulge this preliminary testimony at this stage of the case, as the same considerations which prevent testimony taken before a grand jury from being revealed prior to trial apply with equal force in this instance."

That the application for a warrant of arrest of Harry Bridges was made on September 22, 1937, by R. J. Norene, divisional director, and R. P. Bonham, district director, of the Immigration and Naturalization Service, of Seattle, Wash.; and that the application for said warrant of arrest included nine grounds, the ninth ground being "that he (Bridges) believes in, advises, advocates, and teaches the overthrow by force and violence of the Government of the United States."

This averment or ground for deportation was omitted from the warrant of arrest which was subsequently issued by the Department of Labor against Bridges, although in the said application for said warrant Norene and Bonham stated in support thereof that:

"The application 'as supporting evidence' includes a transcript of the sworn statement made by — at Portland, Oreg., on June 28, 1937, a transcript of the sworn statement made by — at Portland on August 30, 1937, a transcript of the sworn statement made by — at Portland, Oreg., on September 22, 1937, * * * photostatic copy of 1937 Communist Party membership book No. 54793, in the name of Harry Dorgan, * * * a transcript of the sworn statement made by — at Portland, Oreg., on August 30, 1937. I have additional evidence which will be introduced at the hearing. This office has repeatedly proved that the Communist Party advocates the overthrow by force and violence of the Government of the United States, and also the Communist Party causes to be written, circulated, distributed, published, or displayed printed matter advising, advocating, and teaching the overthrow by force and violence of the Government of the United States."

Under date of September 23, 1937, in the covering letter sent with said application for said warrant by R. P. Bonham to Edward J. Shaughnessy, Assistant Commissioner of Immigration and Naturalization Service at Washington, D. C., Mr. Bonham, in part, said as follows:

"Submitted herewith please find application for warrant of arrest, with most unusual supporting evidence, in the matter of Harry Renton Bridges. The testimony of —, who has been for a long time closely associated with Bridges and intimately affiliated with the Communist Party and active in their plans, acting under

orders of —, is of great importance and compels belief in and the presentation of this application to the Department. * * *

"I believe it is proper that I acquaint the central office with the fact that when I interviewed Mr. Bridges sometime ago on another matter he boasted that he had seen the central office file relating to himself and also that they had an excellent 'intelligence' organization of their own that kept them well informed of what was going on. Several of the witnesses in behalf of the Government are fearful of their lives, if ahead of the hearing the fact of their having to testify becomes known to the alien or the Communists. There will be no leak at this end and may I not, in order that their lives may not be unduly endangered, adjure the central office and the Department to observe the greatest precautions to safeguard inviolate this record."

This application for a warrant, and the covering letter of September 23, 1937, were not acted upon by the Department of Labor for several months. In the meantime said documents disappeared from the files of the Department of Labor. On February 5, 1938, the office copies of the Seattle district were forwarded by R. P. Bonham to Gerard D. Reilly, Solicitor of the Department of Labor, with the following letter:

"In reply to your urgent telegram I am forwarding herewith by air mail our office copy of our original application, setting forth appropriate grounds therefor for the arrest of Harry Renton Bridges, alias, etc., together with my covering letter of September 23, 1937."

On February 8, 1938, Frances Perkins wrote to Harry Bridges, as follows:

"I have your letter of February 3, 1938, stating that you have been informed that the Immigration and Naturalization Service of the Department of Labor has under consideration the holding of a hearing to determine whether or not you should be deported, and requesting that if it is decided that a hearing is to be held, you should be furnished with a detailed statement or a bill of particulars of the charges made against you.

"Your information that the Department is investigating charges which have been filed with the Immigration and Naturalization Service with regard to your status is correct. * * * Under the administrative practice, the process which is served in advance of the hearing contains in some detail the specific charges upon which the proceedings are predicated, so that no person need have any fear of being brought into a formal hearing without having been apprised of the nature of the charges.

"With reference to your statement that the demand for hearings was based on trumped-up charges and evidence obtained through pressure upon you, I can only say that if this is true you will be given ample opportunity to bring this out at a hearing before the Department takes any final action. Should the Department proceed with hearings it does not mean that it has adopted the view that the evidence which the complaining witnesses are submitting is necessarily trustworthy."

On February 9, 1938, Grafton S. Wilcox, managing editor of the New York Herald Tribune, wrote to Gerard D. Reilly, the Solicitor of the Labor Department, from which the following is quoted:

"Coincident with the introduction of the Copeland resolution, a member of the (Commerce) committee today confirmed the statement attributed to Gerard D. Reilly, Solicitor, Labor Department, that the Department was in possession of sufficient information about Harry Bridges, Pacific coast maritime leader for the C. I. O., to make out a prima facie case for his deportation as an alien. The Reilly statement does not appear in the published transcript of the hearings, but occurred 'off the record.' The stenographic report shows that an interval of 'off the record' testimony occurred toward the end of the hearing, while Senator ARTHUR H. VANDENBERG, Republican, of Michigan, was examining witnesses."

Mr. Wilcox further says:

"I also have talked to our bureau in Washington this afternoon concerning the matter, and Mr. Warner, the head of the bureau, said that yesterday Senator Copeland, chairman of the Commerce Committee, when asked about the Herald Tribune story of Tuesday morning, said that you had said 'off the record,' though in the presence of the committee, that you thought Mr. Bridges was deportable."

In a current teletype from one Warner, a bureau chief of the New York Herald Tribune, relating to Reilly's statement before the Commerce Committee of the Senate, is found the following:

"In regard to the Bridges' story I would like to say that Senator Copeland yesterday told a group of about eight reporters that the story in the Herald Tribune had been substantially correct, and that Mr. Reilly had told the committee that the Department had 'a case' which should result in the deportation of Bridges. * * * Mr. Reilly today, in a telephone conversation, said that he had told the committee that a 'prima facie case could be made out against Bridges' by that he said he meant only that it was case which was not subject to demurrer and which, if the other side did not produce more credible testimony, should result in conviction and deportation. I asked if this was not an ordinary hazard of trial and he said that in this case there was no documentary proof but only a question of his witnesses against their witnesses.

"On the matter of his going out to the west coast to see if the four signers of affidavits were trustworthy persons, he did not deny that part of his mission had been that, but did say that he had not said anything to the committee about having found them so. I am willing to admit that I have no corroboration for this other than the very obvious fact that if they had turned out not to be trustworthy persons the matter would doubtless have dropped right there. * * *

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"He (Reilly) did not ask for a retraction or anything of the sort in our conversation. I am sending him a copy of this memorandum. Warner, bureau chief."

On February 11, 1938, Harry Bridges sent the following wire to Frances Perkins:

"Copeland obvious attempt to prejudice my case requires immediate hearing re my deposition. Because of prejudicial statements emanating from Washington it is important that such hearing be held also in Washington. Please advise time and place of hearing and particulars on charges. (Signed) Harry Bridges."

The foregoing wire was answered on February 12, 1938, by James L. Houghteling, Commissioner of Immigration and Naturalization Service, as follows:

"Have your request for prompt hearing and agree with you that it is desirable that you be given opportunity to be heard as soon as possible on charges relating to deportation. Unable to advise you today the details of time and place but will notify you when arrangements completed."

During the month of February 1938, Harry Bridges sought an opportunity to appear as a witness before the Commerce Committee, of which Senator Royal S. Copeland was chairman, and the following letters were passed between Senator Copeland and Gerard D. Reilly, Solicitor of the Labor Department. On March 1, 1938, Mr. Reilly wrote to Senator Copeland, as follows:

"I appreciate the dilemma which you and Senator VANDENBERG pointed out to me in that your committee has no desire to interfere with the quasi judicial process now pending in the Department, and yet wishes to afford to any representative of the labor and management interests involved complete opportunity to be heard on the merits of S. 3078. In view of that I can see no reason for the committee refraining from its normal procedure in hearing any pertinent legislative history with respect to the pending bill."

And on the same day Senator Copeland wrote to Mr. Reilly as follows:

"You will recall that 10 days ago Senator VANDENBERG and I explained to you our situation in regard to Harry Bridges' desire to be heard by our committee. It was our understanding that his deportation hearing would be ordered within a week. In that event it was deemed inadvisable to have him testify with the possibility of exciting public opinion one way or the other. We wish to have your advice. Since the committee meets tomorrow at 10:30 a. m. an early answer is much desired.

"We feel that you should be unembarrassed by public discussion at a time when a judicial attitude should be maintained by everybody."

Under date of March 5, 1938, there is a letter from Leon R. Fouch, acting district director of the Baltimore district, marked "Confidential," addressed to the Commissioner, Immigration and Naturalization Service, Washington, D. C., as follows:

"Referring to central office file No. 55973/217, and to warrant of arrest issued in respect of Alfred Renton Bryant Bridges, alias Harry Renton Bridges, alias Harry Dorgan, alias Canfield, alias Rossi, it is desired to state that the alien, accompanied by his attorney, Mr. Lee Pressman, appeared at this office today, and the warrant of arrest was served on him and endorsed to show such service. In accordance with the authorization contained in the warrant of arrest, the alien was released on his own recognizance with the understanding that he would present himself at San Francisco, Calif., on April 25, 1938, for a hearing.

"Lee Pressman and Aubrey Grossman filed their appearance in writing and the alien submitted a communication setting forth that these two persons were authorized to appear for and represent him in the proceedings, and above communications are attached hereto. The warrant of arrest is returned herewith and has been endorsed to show service and that the hearing is to be commenced in San Francisco, Calif., on April 25, 1938."

On March 7, 1938, there is a letter from James L. Houghteling, commissioner, to Leon R. Fouch, acting district director at Baltimore, Md., acknowledging receipt of Mr. Fouch's letter of March 5, in which he says:

"Many thanks for your satisfactory handling of this matter and prompt report."

The original warrant for the arrest of Harry Bridges shows, endorsed on the face thereof, the following:

"Pending further proceedings, the alien may be released from custody upon his own recognizance."

And on the back of the original of said warrant is the following endorsement:

"Served on alien at the office of the Immigration and Naturalization Service at Baltimore, Md., at 10:10 a. m., March 5, 1938. Hearing to be commenced in San Francisco, Calif., April 25, 1938. Charles R. Frank, immigrant inspector."

Thereafter, on March 23, 1938, Frances Perkins advised the Attorney General of the United States that formal deportation hearings with regard to Harry Bridges, of San Francisco, would begin in that city on April 25 and very likely be continued in Portland and Seattle and possibly Los Angeles on later dates, and stated therein that:

"Several persons who have filed affidavits about the case with the Immigration and Naturalization Service have said that they feared for their personal safety if they were compelled to testify fearlessly. In order to assure protection for these people during the pendency of the hearing I would appreciate if you would notify the United States marshals in these cities to assist the local immigration officers to the extent that will seem desirable on days when particular witnesses are to appear."

On March 29, 1938, R. P. Bonham, district director of the Immigration and Naturalization Service in Seattle, wrote a letter to T. B. Shoemaker, Deputy Commissioner of Immigration and Naturalization at Washington, D. C., in which Mr. Bonham says:

"Protests have reached me against the holding in San Francisco or elsewhere of public hearings in the Bridges case, and confidential information has also reached me, which appears to be very reliable, to the effect that the same group of Communists that handled the propaganda and intimidation program in the Earl King et al. murder case has been detailed for the same purposes in the Bridges case. I cannot believe that this Service will consider a hearing open indiscriminately to mass picketing, etc., etc. Such a proceeding would involve communistic demonstrations, intimidation of witnesses, and prevent any orderly, dignified proceeding. The Service would be bitterly criticized for permitting such a disorderly farce. Will you please promptly inform me by air mail on this point?"

As evidence of the existence and virility of the Communist organizations on the west coast, and of their interest in Harry Bridges and the manner in which they deal with witnesses appearing against them, there is quoted a letter from Arthur J. Phelan, inspector in charge of the Legal Division at San Francisco, under date of April 11, 1938, as follows:

"Supplementing my report of April 8 relative to the case of Harry Bridges, the informant mentioned in the paragraph beginning at the end of page 15 thereof today refused to give any statement at this time, as he stated that Bridges had already told his 'beef squad' to get in a lot of practice, because after his hearing is over there will be a lot of 'work' for them to do on the witnesses who appear against him; that he expects to beat the case against him, and if he doesn't he will be able to delay his deportation for a couple of years and there will be a great deal of fireworks."

"This informant states that he was once beaten up by the radical element and sent to the hospital; that on another occasion when he appeared as a witness in a Communist deportation case he was taken up to the office of the attorney for the alien by the secretary of the Communist Party and was there manhandled, and that while he was working on W. P. A. the Workers' Alliance succeeded in having him dropped because of his having testified against Communists. His present disposition is to refuse to get involved in the case."

Mr. Bonham, who has been for many years employed in the Immigration and Naturalization Service and thoroughly versed concerning the dangers incident to witnesses appearing for the Government in the Bridges case, wrote Mr. Houghteling under date of April 14, 1938:

"It is my opinion and that of others with whom I have talked that the safest place to have the hearing for our witnesses would be Angel Island; they have a special launch that we could utilize, if necessary, for the safety of our witnesses. We have already arranged tentatively for quarters in Portland in the United States Courthouse Building, where our own officers are located, for the hearing there. Inspector Farrelly has informally advised me that he can secure police aid in protecting our witnesses in San Francisco. As I facetiously remarked in a personal letter to Mr. Shoemaker, if the Department of Justice were handling the case they would probably have no less than 40 men detailed on the matter."

The foregoing exhibits are submitted as evidence that the Government witnesses against Bridges were fearful of their lives, and that the Immigration and Naturalization Service of the Department of Labor and Frances Perkins were intimidated by the threats of violence of Bridges and his communistic friends on the west coast.

As evidence of the arrogance of Harry Bridges, his impertinence and want of respect for the officials of the Department of Labor, the following excerpts are submitted from the examination of Bridges by Gerard D. Reilly, Solicitor, Department of Labor, in New York City on October 18, 1937:

"Q. Do you solemnly swear that the testimony you will give will be the truth, the whole truth, and nothing but the truth?—A. I understand."

"Q. In the course of your activities with regard to organizing marine workers, have you become acquainted with a group known as the 'top fraction of the Communist Party'?—A. (By Mr. Cohen, Bridges' attorney.) I object to that as immaterial as to whether he knows a group known as the 'top fraction of the Communist Party.' It is not a proper subject of this inquiry.—A. (By Mr. Bridges.) I decline to answer on advice of counsel."

"Q. Did any of the three men (Lawrence Ross, Pop Hanoff, and Walter Lambert) I have mentioned ever give you any advice on a policy which you followed?—A. I have met and discussed labor policies and union affairs with Mme. Perkins, John L. Lewis, Dan McGrady and his assistants, Mayor Rossi, Governor Merriam, John Ryan—you can go on indefinitely. * * *"

There were present at this examination of Harry Bridges by Gerard D. Reilly, Sidney E. Cohen, of New York City, counsel for Harry Bridges, and Robert Lomborg, stenographer.

This examination of Bridges was nearly a month after the Bonham application for a warrant of arrest of Bridges, and 2½ months before said warrant was issued.

After the attempt to examine Bridges by Mr. Reilly in New York City, and with the probability of deportation proceedings imminent against Bridges, many letters and telegrams were received by Frances Perkins, typical of which are the following:

"Maryland's Civil Liberties Committee strongly protests against reported intention of Department of Labor to issue warrant for deportation of Harry Bridges on unsupported charges that he is a radical agitator. We consider this contemplated move wholly an unwarranted attack upon constitutional rights of American labor."

The foregoing telegram was from Mauritz Hallgren, chairman, and Elizabeth Gilman, secretary, 513 Park Avenue, Baltimore, Md. On January 28, 1938, this telegram was answered by Gerard D. Reilly, solicitor, Department of Labor, as follows:

"Your committee need have no fear that the Department proposes to deport Mr. Harry Bridges or anyone else on unsupported charges. You may be sure that such procedure would be as repugnant to the Secretary of Labor as it would be to the Civil Liberties Committee of Maryland."

On February 8, 1938, Frances Perkins, Secretary of Labor, received the following wire:

"Wisconsin Workers' Alliance demands that President Bridges of the Timber Workers' Union be admitted to citizenship of this United States at once. We believe that no one should be denied citizenship because of his activities in labor circles.—Thomas Lapean, Secretary."

On February 2, 1938, the International Longshoremen's and Warehousemen's Union, of Bellingham, Wash., sent a resolution to Frances Perkins, attacking the record of Mr. R. P. Bonham, head of the Immigration and Naturalization Service of that district, and asking the Secretary of Labor to "thoroughly investigate the conduct of the Immigration Service in said district and take such steps and make such changes in personnel as will secure to all legal residents their lawful rights and constitutional guaranties."

The foregoing letters and telegrams are introduced as illustrative of the pressure brought on the Department of Labor to save Bridges from deportation, and this pressure may also be evidence of the instantaneous reaction of Frances Perkins, James L. Houghteling, and Gerard D. Reilly when the Circuit Court of Appeals for the Fifth Circuit, at New Orleans, La., on April 6, 1938, decided the much-publicized Strecker case. In this case a decision of Wayne G. Borah, district judge, denying a writ of habeas corpus to said alien, was reversed in an opinion by Circuit Judge Hutcheson.

As shall hereinafter be shown:

The decision of the fifth circuit in the Strecker case was based upon the conclusion of the court that insufficient evidence had been offered by the Government as to the character of the Communist Party; in other words, that the Government had failed to show that the Communist Party was an organization that taught the overthrow of the Government of the United States by force and violence. The circuit court, on June 7, 1938, amended its order in the Strecker case to read as follows:

"The judgment of reversal is amended to read 'Reversed, with directions to try the issues de novo as suggested in *Ex parte Fierstein* (41 Fed. (2d), p. 54)'."

It followed, therefore, that at a retrial before the district court an opportunity would have been given to the Government to introduce additional evidence showing the character of the Communist Party. Certain stock exhibits which had been usually offered by the Government in such deportation cases to show the character of the Communist Party, and which for some unknown reason were not offered in evidence before the district court in the Strecker case, were available and had previously been accepted by many Federal courts as proof that the Communist Party was an organization that taught the overthrow of the Government of the United States by force and violence.

Prior to perfecting the appeal in the Strecker case and on May 11, 1938, James L. Houghteling wrote a confidential letter to R. P. Bonham, district director, at Seattle, Wash., in which he stated:

"From the books which you have heretofore forwarded to Mr. Shoemaker, excerpts have been taken tending to show that the Communist Party believes in the overthrow of the Government of the United States by force and violence."

Nevertheless, Frances Perkins, James L. Houghteling, and Gerard D. Reilly refused this opportunity to submit the usual stock exhibits in the Strecker case, and postponed the Bridges deportation hearing until an appeal could be perfected to the Supreme Court of the United States on an admittedly defective record in the Strecker case.

Shortly after the conspirators herein agreed to postpone the Bridges case, James L. Houghteling, Commissioner of Immigration and Naturalization Service, addressed the national executive committee of the American Legion at Indianapolis, Ind. In his statement as reported by the national commander of the American Legion, in his testimony before the Special Committee on Un-American Activities, Mr. Houghteling said:

"Therefore, gentlemen, I am up here to say that any criticism of the Immigration Service since the 1st day of September, when I took office, is a criticism which I have got to answer for. I am responsible and anything you gentlemen have to criticize in the administration of the Immigration and Naturalization Service is on my shoulders. We proposed to have hearings on Harry Bridges. The hearings were set for the 25th of April. Harry Bridges was served with a warrant of arrest in Baltimore on the 5th day of March, and he is now released on his own recognizance and subject to hearing on his own deportability. We were sending two of our men out from the Department and they were being joined by men from the coast who have been conducting preliminary hearings, the hearings on Harry Bridges' deportability. The travel orders were issued when we received the findings of the court in

the case of *Strecker v. Kessler* in the United States Circuit Court of Appeals in New Orleans, which held that the membership in the Communist Party, standing alone, was not sufficient to deport. * * * We have deported 100 aliens in the last 3 or 4 years for membership in the Communist Party. We were not sustained. We immediately took counsel among ourselves as to whether to go ahead and develop our testimony against Bridges in the face of that decision. We counseled with the Department of Justice and with our own legal department, and it was our considered opinion that we would do better to ask the Supreme Court to review that case and to withhold until we got a review which might better define what we must prove to make a good case of deportation against a man who is accused of being a member of the Communist Party, and until the Supreme Court might hand down a clarifying decision to determine what we ought to do to prove it. From some conversation I had in this hall before I came up here, I judge that our decision is not being received very favorably by some members of the Legion who have given some study to the problem."

Although Frances Perkins, James L. Houghteling, and Gerard D. Reilly had an opportunity to retry the Strecker case in the United States District Court, and there to offer the usual stock exhibits and to present the strongest possible case to the United States Supreme Court in the event of another reversal by the Circuit Court of Appeals, they chose rather to appeal an admittedly incomplete record to the Supreme Court of the United States. To further the objects of their conspiracy, they chose rather to use such pending appeal as an excuse to defer further proceedings against Bridges and other aliens who stood charged with membership in the Communist Party.

As proof of the foregoing averments I cite the full text of a letter written by Chairman MARTIN DIES, of the Special Committee on Un-American Activities to the Solicitor General, Department of Justice, as shown in volume 3, pages 2075 to 2083 of the hearings of said committee:

OCTOBER 29, 1938.

ROBERT H. JACKSON, Esq.,
Solicitor General, Department of Justice,
Washington, D. C.

MY DEAR MR. JACKSON: This is to acknowledge the receipt of your letter of October 26, 1938, in which you invite me to assist you in presenting the Strecker case to the Supreme Court.

From my study of the record in this case I think that the Department of Justice certainly needs some assistance. I am confident that you are not acquainted with many important facts in this case, which clearly demonstrate that Mme. Perkins, Secretary of Labor, is endeavoring to use you and the Department of Justice to "pull her chestnuts out of the fire." My reasons for holding this opinion are as follows:

(1) That the Department of Justice was induced to appeal this case from the decision of the circuit court of appeals when that court only ordered that it should be remanded for a new trial.

(2) That the Department of Justice, in perfecting its appeal from the fifth circuit, was led to agree to a stipulation of facts ignoring an important finding by Turner W. Battle, Assistant to the Secretary of Labor, in the deportation warrant of Strecker.

(3) That this agreed stipulation of facts restricted the issues before the Supreme Court to a single question, to wit, was membership in the Communist Party in 1932 for a short while sufficient in itself to justify the deportation of Strecker? And the agreed stipulation ignored the evidence in the record which sustained a finding by Turner W. Battle, Assistant to the Secretary of Labor, that Strecker believed in and taught the overthrow by force and violence of the Government of the United States, which allegation was and is, under the act, sufficient in and of itself to justify the deportation of Strecker, if supported by any evidence.

(4) That the records of the Labor Department clearly show that Mme. Frances Perkins misrepresented to our committee the facts and the law upon the basis of which she claims to have deferred further proceedings against Harry Bridges, and misrepresented the effect which the decision in the Strecker case had upon the deportation proceedings against Harry Bridges.

(5) That the Labor Department files reveal a strong bias on the part of Mme. Frances Perkins and the Department of Labor in favor of Harry Bridges, and an effort on their part to protect, rather than to deport, him.

(6) That as head of the Labor Department, Mme. Frances Perkins is endeavoring to throw the Strecker case in order to save Harry Bridges, a Communist and alien labor leader, in violation of the laws of the United States, the decisions of our Federal courts, and her oath of office.

As proof of the statements heretofore made I submit the following excerpts from the records of the Department of Labor in the Harry Bridges case from the record on appeal in the Strecker case.

In support of my first charge on page 118 of the record on appeal in the case of Joseph George Strecker there appears the following extract from the minutes of the Fifth Circuit Court of Appeals under date of June 7, 1938:

"The judgment of reversal is amended to read: 'Reversed, with directions to try the issues de novo as suggested in *Ex Parte Fierstein* (41 Fed. (2d), p. 54)."

In other words, when the Department of Justice was induced to appeal this case from the decision of the circuit court of appeals it was not a final judgment in favor of Strecker, but was simply an order of the fifth circuit remanding the case to the district court

for a new trial. It is obvious from the decision of Judge Hutcheson, which appears in the record at page 110, that—

"The evidence, and the only evidence relied on for the finding and order, is that during the Presidential campaign of 1932, when one Foster was running as the white, and one Ford as the colored candidate of the Communist Party of America, for President of the United States, appellant, in November 1932, became a member of the Communist Party and accepted certain literature of the Communist Party for distribution. * * * None of the literature which he was supposed to have circulated in 1932 was introduced, but his book of membership in the Communist Party in the United States was. Not a word in his membership book advocated, incited, or even suggested that the Government of the United States should be overthrown by force or violence. * * * The record contained also, offered by the Bureau, extracts from a copy of the Communist dated April 1934, 'eighth convention issue, a magazine of the theory and practices of Marxism and Leninism, published monthly by the Communist Party in the United States of America.' Not a single extract from this magazine referred to the Government of the United States of America directly or indirectly."

In other words, the finding against the Government in the Strecker case by the fifth circuit was due to the fact that inadequate evidence was offered as to the character of the Communist Party, and proof was not introduced in evidence that the Communist Party believed in, advised, advocated, or taught the overthrow by force or violence of the Government of the United States.

In view of the foregoing, the letter of Gerard D. Reilly, solicitor of labor, dated April 16, 1938, and addressed to the Attorney General of the United States, is proof that the Department of Labor knew that the usual evidence introduced in deportation cases was omitted at the hearing of Strecker and therefore was not a part of the record in this case, although such proof had been commonly used in other cases involving deportation of persons belonging to the Communist Party.

In Mr. Reilly's letter to the Attorney General of the United States he said:

"In the instant case, however, the Government introduced as documentary exhibits both the membership book of the alien which contained some statements of Communist theory and a copy of the April 1934 issue of a periodical entitled 'The Communist: A Magazine of the Theory and Practice of Marxism-Leninism.' Selected excerpts from this magazine were also read into the record. While it is true that, since the manifesto of the Communist International and the constitution of the Communist Party of America—apparently the stock exhibits considered by other circuit courts of appeal—were not introduced, the argument might be advanced that the articles in this magazine are not necessarily the official teachings of the Communist Party, there is no doubt that the magazine was written or printed matter circulated and published by the party, since the masthead states that it is published monthly by the Communist Party of the United States of America."

In other words, there is positive and absolute proof in Mr. Reilly's letter to the Attorney General of the United States that certain stock exhibits, proving the character of the Communist Party, were omitted in the proof against Strecker, and that such exhibits had previously been used in other cases.

It follows that when the Department of Justice appealed the Strecker decision it turned down an opportunity to retry the case and introduce the usual evidence customarily offered to prove the official teachings of the Communist Party. Nevertheless, at the instance and request of the Solicitor of Labor, the aforesaid Gerard D. Reilly, the Department of Justice chose rather to appeal a doubtful case when it might, by a new trial, have presented the complete facts to the court, which would have avoided the necessity of an appeal to the Supreme Court.

In support of the second statement which I have heretofore made, I desire to call your attention to the fact that in September 1938 you filed a petition for a writ of certiorari in the Supreme Court of the United States in which you stated that the question presented to the Supreme Court is "whether the court erred in failing to sustain an order of deportation against respondent, an alien who in 1932 became a member of the Communist Party of the United States."

You have stated that the "specification of errors to be urged" in the Supreme Court are:

"(1) In holding that an alien who in 1932 became a member of the Communist Party is not by reason of that fact subject to deportation under the act of October 18, 1918, as amended by the act of June 5, 1920 (U. S. C., title 8, sec. 187); (2) in holding that the evidence before the Secretary of Labor concerning the principles of the Communist Party was insufficient to sustain the order of deportation; (3) in remanding the case for a trial de novo in the district court; (4) in failing to affirm the judgment of the district court in the Strecker case."

The agreed statement contained in your petition for a writ of certiorari (p. 5) omits the finding of Turner W. Battle, Assistant to the Secretary of Labor, in the deportation warrant that Strecker should be deported "in that he believes in and teaches the overthrow by force and violence of the Government of the United States" (although this point was urged by the United States attorney in his petition for rehearing) and includes only the fact that "after his entry he was found (R. 114-115) to have become a member of one of the classes of aliens enumerated in section 1 of the act, as amended, to wit, an alien who is a member of or affiliated with an organization, association, society, or group that believes in,

advises, or teaches the overthrow by force and violence of the Government of the United States."

In other words, in your agreed statement in the petition for a writ of certiorari you have omitted an important finding by the Assistant to the Secretary of Labor in the deportation warrant and apparently sought to narrow the issues on appeal to the question of membership in the Communist Party of the United States.

In doing this you were undoubtedly guided by the statement contained in the letter of Mr. Reilly, heretofore referred to, addressed to the Attorney General of the United States, under date of April 16, 1938, wherein he stated: "That portion of the court's decision relating to the first count in the warrant, namely, that the alien's own statements of his political and economic beliefs did not indicate that he himself believed, taught, or advocated the overthrow of the United States by force and violence is of little significance except to the peculiar facts of the case. It should be pointed out, however, that irrespective of an alien's personal views, the statute makes deportable aliens who are members of organizations that believe, advise, advocate, and teach the overthrow by force and violence of the Government of the United States, or organizations which circulate literature to the same effect."

It is this phase of the opinion which makes the holding an important one and raises the question of a conflict with the rules of decision in other circuit courts of appeal. While it is true, as the appellate court noted, that the statute itself makes no mention of the Communist Party, it has been a settled practice in the Immigration and Naturalization Service for many years to regard that party as an organization coming within the language of the statute, and until this decision the various circuit courts of appeal which have passed on the question have generally found that where membership in the Communist Party was established, that fact alone was sufficient evidence to support a deportation order, at least if there was evidence in the record of the official literature published and circulated by the party. (The necessity for this last requirement was stressed in *Ex parte Fierstein*, 41 Fed. (2d) 53, C. C. A. 9, 1930.)

It appears from the foregoing quotation that you were induced by the Solicitor of the Department of Labor to take an appeal to the Supreme Court of the United States on a question which he himself admits was not properly presented to the Court, and that you have omitted from urging (as did the United States attorney in his petition for rehearing) the fact that competent and material evidence was introduced showing that Strecker believed in and taught the overthrow by force and violence of the Government of the United States.

In support of the third statement which I have made, your petition omits the finding of Turner W. Battle, assistant to the Secretary of Labor, in the deportation warrant, to the effect that Strecker should be deported "in that he believes in and teaches the overthrow by force and violence of the Government of the United States," and thus obviously attempts to restrict the Supreme Court to a consideration of the single question, to wit: Was membership in the Communist Party in 1932 in and of itself sufficient to justify the deportation of Strecker?

Although the record on appeal contains ample evidence to support the finding of Turner W. Battle that Strecker did believe in and teach the overthrow by force and violence of the Government of the United States, you have failed to make this an equal issue before the Supreme Court of the United States.

Even if the Supreme Court of the United States should hold that Strecker's membership in the Communist Party in 1932 did not in and of itself constitute sufficient ground for his deportation, still, if the Supreme Court should find (assuming that that question was properly presented) that Strecker was one who believed in and taught the overthrow by force and violence of the Government of the United States, then the Supreme Court would have to reverse the Circuit Court of Appeals for the Fifth Circuit and sustain Judge Borah in refusing Strecker's application for a writ of habeas corpus, which would automatically result in the deportation of Strecker.

As proof of the statements which I have just made, I quote herewith excerpts from the testimony of Joseph George Strecker at a hearing conducted at Hot Springs, Ark., on October 25, 1933, before Immigration Inspector Carroll D. Paul, and also from his statement before Acting District Director Walter L. Wolfe on September 16, 1933:

"Q. Are you a member of any organization or society, social, fraternal, or political?—A. I was a member of the Communist Party of America.

"Q. What do you mean you were a member of the Communist Party of America?—A. Well, I haven't paid my dues since February 1933.

"Q. Have you notified the organization that you were withdrawing from it?—A. No.

"Q. Have you had a change of heart or mind in the matter, or have you simply failed to pay your dues?—A. Just failed to pay my dues.

"Q. Then you still feel the same as you did at the time of your initiation?—A. Yes.

"Q. Have you ever become a member of any organization without first acquainting yourself with its intents and purposes?—A. No.

"Q. Is this your membership book in the Communist Party of the United States [presenting membership book No. 2844, issued November 15, 1932, to Joe Strecker]?—A. Yes.

"Q. Were you at the time of your initiation into the Communist Party familiar with its intents and purposes?—A. Yes.

"Q. How did you acquire this prior knowledge of communism?—A. From a study of the writings of Marx.

"Q. How long have you studied the writings of Marx?—A. About 10 years.

"Q. Are you in accord with Marx in regard to the social order of things?—A. Yes.

"Q. Will you tell me what the aims and purposes of the Communist Party of America are?—A. Yes; it proposes to destroy capitalism and establish a government by the people.

"Q. Do you mean a government similar to that now in existence in Russia?—A. Exactly.

"Q. What means will the Communist Party of America use to attain its purposes?—A. I do not know what will be necessary.

"Q. Will it resort to armed force in the event that should be necessary?—A. That is what they say.

"Q. Who says that?—A. The leaders of communism.

"Q. Do you mean the local leaders, the national leaders, or those in Russia?—A. All of them.

"Q. Do you think that the present form of government in the United States should be destroyed and a communistic or Russian form of government established in the United States?—A. I think that the destruction of capitalism is inevitable and that the sooner it comes the better off we shall all be.

"Q. Would you personally bear arms against the present United States Government?—A. Not at this time.

"Q. Why not at this time?—A. Because communism is not strong enough now.

"Q. Supposing that the majority of the populace of the United States were Communists, and were certain of a victory over capitalism in an armed conflict, would you then personally bear arms against the present Government?—A. Certainly; I would be a fool to get myself killed fighting for capitalism.

"Q. Have you ever been in the military service of any country?—A. No.

"Q. Have you done any work for the Communist Party since becoming a member?—A. All I have done was to hand out some papers.

"Q. Where did you obtain these papers?—A. From the headquarters in Kansas City.

"Q. What was the nature of this literature?—A. It was something calling upon the people to unite.

"Q. To unite for what?—A. Against capitalism.

"Q. When you speak of capitalism do you mean the present form of government of the United States?—A. It is all the same thing.

"Q. Did you circulate this literature that was sent you?—A. I gave it to some other people to circulate.

"Q. Will you name them?—A. I have forgotten who it was.

"Q. What was your purpose in filing your petition for citizenship in the United States?—A. I thought I would have more protection if I was a citizen of the United States.

"Q. Protection from what?—A. From the law.

"Q. Isn't it a fact that your party leader advised you not to become too active in that you might be subject to deportation from the United States?—A. Something like that.

"Q. Is that the reason you stopped paying your dues?—A. No.

"Q. In the event the Communist Party of America attains sufficient power or proportion to be of service to you, will you pay up your back dues and go along with them?—A. Certainly.

"Q. What is the name and address of your nearest relative in Austria?—A. My wife, Sofia Strecker, Kamionka Strum, Austria.

"Q. Have you any further statement to make?—A. No.

"Q. Is it true, as reported to the Government, that you have been distributing communistic literature?—A. A tailor from Little Rock handed me some of this literature and I handed it to somebody else, but I do not know the name of the person or persons to whom I handed it.

"Q. Is it not true that at one time you had a considerable quantity of communistic literature in your home?—A. I have received letters from New York urging me to buy gold bonds of the Communist Government in Russia.

"Q. Have you ever bought any of these bonds?—A. Yes; I have bought 2,200 rubles' worth of the Soviet Union Socialist Republic, for which I paid in American money the sum of \$1,588.

"Q. When did you make this purchase?—A. About 2 months ago. It was represented to me that the United States Government's money would soon be worthless, or at best very cheap, and I thought it wise for my own protection to put my money into bonds of the present Russian Soviet Government. These bonds are paying interest in gold dollars, American money.

"Q. Do you now deny on your oath that you are a Communist at heart?—A. I do not consider myself a Communist because I am not paying dues to the Communist Party. I do not know whether we shall ever have a communistic system in the United States. I have read Marx's books and Marx states that sooner or later there will be a "red" government in every country in the world. I am trying to protect myself and that is why I bought the bonds of the Russian Government. I do not know what is going to happen; I do not know how long I am going to live. If I knew when I was going to die, I would get me about four women and have a hell of a time before I die. If communism comes in this country, I will not be against it because I have to go with the people, and whatever the people want I will have to go along with them."

In support of my fourth proposition that Mme. Frances Perkins has misrepresented to our committee facts and the law upon the basis of which she claims to have deferred further pro-

ceedings against Harry Bridges, I direct your attention to her letter to me of August 30, 1938, in which she said:

"You are incorrect in saying that the facts in the two cases—the Strecker case and the Bridges case—are dissimilar. As a matter of fact, they are identical except for the fact that Strecker admitted that he was a Communist and that he distributed Communist literature, where Bridges has not so admitted. In other words, the case in regard to Strecker was much stronger."

Such a statement is preposterous. There were never two cases identical; and her contention that the Strecker case is a stronger case than the one which the Department has against Bridges is not only not sustained by her own records but is contradicted by them. To illustrate: On April 20, 1938, James L. Houghteling, Commissioner of the Immigration and Naturalization Service of the Department of Labor, at Washington, D. C., received the following wire from R. P. Bonham, district director of the Immigration and Naturalization Service at Seattle, Wash., in which wire Mr. Bonham said to Mr. Houghteling:

"Radio news announces your continuance Bridges hearing until Supreme Court decides New Orleans case. Hope this is incorrect as difficult protect our witnesses indefinitely. I have examined entire record testimony and the court decisions said case. Service failed introduce adequate proof party teaches violence. We have ample such evidence, both in current official party documents and on part of witnesses. New Orleans case weak and devoid proper proof; therefore, not hurtful or controlling our case. Hope same will not be regarded as precedent or of sufficient consequence postponing pending case. Please wire instructions."

"BONHAM."

On the confirmation of the above telegram which was forwarded by Mr. Bonham to Mr. Houghteling appears this further statement by Mr. Bonham:

"DEAR MR. HOUGHTELING: The Strecker case is very weak, consisting more of inference than evidence. The court's decision is based, I think, upon the proposition that we can't deport just because an alien is proved to be a member of the Communist Party, but that we must also prove that said organization teaches or prints or displays matter advocating violent overthrow of our Government. Case rests only on the absence of such facts or proof and not upon any fundamental question. The case was remanded for further proceedings. What could that mean except for evidence of violent revolution doctrines of the said organization? An appeal will not cure the situation, in my judgment, but rather complicate it."

"Sincerely,

"R. P. BONHAM."

Mr. Bonham is a veteran in the Immigration and Naturalization Service of the Labor Department, and has been described in a letter by Mr. Houghteling to Edward W. Cahill, district commissioner of the Immigration and Naturalization Service, under date of April 21, 1938, as "keenly devoted to his duty as he sees it."

Further, Mr. Bonham, in a letter under date of May 9, 1938, to Mr. Houghteling, said: "I have always been able to introduce these books to prove the charge that the alien belongs to an organization that printed and published, etc., literature advocating the overthrow of the Government of the United States by force and violence. The courts have, without exception, dismissed writs challenging this procedure in cases which I have conducted. The witnesses we had assembled for the Bridges hearing had among them some former functionaries of the party who were well informed and who would have testified to the Communist Party of the United States of America being the American section of the Comintern (Communist International) and to the definite commitment to force and violence in bringing about the overthrow of our Government."

Mme. Frances Perkins' experience and judgment on immigration and naturalization matters are of no value, as against the experience and judgment of District Director Bonham, who has devoted many years exclusively to immigration and naturalization matters and has been responsible for the preparation of the case against Harry Bridges.

A second illustration of the misrepresentation of Mme. Frances Perkins is found in her letter, as follows: "This Department has recommended that this decision (Strecker) be appealed to the Supreme Court since it was recognized at once, not only by the Commissioner of Immigration and Naturalization and the Solicitor of this Department but by officials of the Department of Justice with whom they conferred, that unless this holding were reversed by the highest court, that the charges brought against Bridges, even if proved, had no legal significance whatsoever."

This statement of Mme. Frances Perkins is contrary to the statement previously quoted from the letter of the Solicitor of the Department of Labor to the Attorney General of the United States, wherein he said: "Until this decision the various circuit courts of appeals which have passed on the question have generally found that where membership in the Communist Party was established, that fact alone was sufficient evidence to support a deportation order—at least if there was evidence in the record of the official literature published and circulated by the party."

Mme. Frances Perkins' statement, that unless the Strecker case were reversed in the Supreme Court "the charges brought against Bridges, even if proved, had no legal significance whatsoever," is so ridiculous as hardly to require answering. Numerous decisions holding contrary to the Strecker decision have been rendered by the Circuit Court of Appeals for the Ninth Circuit, which

would have jurisdiction of the Bridges case; and yet, Mme. Frances Perkins, in her letter would represent that a decision of the fifth circuit, in New Orleans, La., unless it was reversed by the Supreme Court of the United States would be authoritative against many decisions holding to the contrary in the ninth circuit. The Department of Justice knows, the Solicitor of the Labor Department knows, and Mme. Frances Perkins ought to know that a circuit court of appeals which has passed upon a subject is bound by its own decisions and not by the decisions of some other circuit. Such a misrepresentation by the Secretary of Labor is inexcusable.

Furthermore, the records in the Department of Labor contain a teletype copy of a story which was sent by Mr. Beall to the managing editor of the New York Herald Tribune, as follows:

"In regard to the Bridges story I would like to say that Senator Copeland yesterday told a group of about eight reporters that the story in the Herald Tribune had been substantially correct, and that Mr. Reilly had told the committee that the Department had a case which should result in the deportation of Bridges."

The above statement has never been denied by Mr. Reilly, although the statement did not appear on the published transcript of the hearing before the Senators, but occurred "off the record."

In support of my fifth statement, as you probably know, the ordinary alien against whom a complaint has been made is immediately arrested by the Department of Labor, incarcerated, and hearings are conducted, without delay, by inspectors of the Immigration and Naturalization Service, to ascertain whether or not he is an alien who is deportable under the law, while in the case of Harry Bridges, months and years have transpired since the first complaints were filed against him.

As evidence of the favored position occupied by Harry Bridges, although he has been under investigation for many years, the Department of Labor has never as yet had a hearing to develop the facts with respect to him and has refused and ignored repeated requests of individuals, patriotic organizations, and even its own district director to proceed with the Bridges deportation hearings.

Furthermore, the Labor Department's files clearly indicate that Harry Bridges is treated very differently from the ordinary alien who is illegally in the United States, as evidenced by a letter from R. P. Bonham, under date of September 23, 1937, to Edward J. Shaughnessy, Assistant Commissioner of Immigration and Naturalization, in which Mr. Bonham said: "I believe it proper that I acquaint the central office with the fact that when I interviewed Mr. Bridges some time ago on another matter he boasted that he had seen the central office file relating to himself and also that 'they' had an excellent 'intelligence' organization of their own that kept them well informed of what was going on. Several of the witnesses in behalf of the Government are fearful of their lives if ahead of the hearing the fact of their having to testify becomes known to the alien or Communists. There will be no leak at this end and may I not, in order that their lives may not be unduly endangered, adjure the central office and the Department to observe the greatest precautions to safeguard invade this record?"

As further evidence of the favored position occupied by Harry Bridges with the Department of Labor, in the memorandum of Mr. Houghteling to the Secretary of Labor under the date of April 14, 1938, Mr. Houghteling suggests as one reason for postponing the Bridges hearing the following: "If we go ahead with the hearing scheduled for the 25th and the Supreme Court should later affirm the action of the circuit court of appeals in the Strecker case, the Department might be charged with 'smearing' Harry Bridges unnecessarily."

This fear on the part of the Department of Labor lest it might "smear" this alien Communist, who has been illegally within the United States since 1920, is evidence of more than bias in his favor.

As further evidence of the favored position enjoyed by Harry Bridges and the consideration shown to him by the Department of Labor, it appears from the records of this Department that a Mr. Pressman, apparently the legal adviser of Harry Bridges, requested the Department by letter on April 12, 1938, for a "so-called bill of particulars as to the reasons underlying the institution of proceedings against Mr. Bridges." Commenting on this request, in a memorandum for the Solicitor, dated April 14, 1938, T. B. Shoemaker, Deputy Commissioner, said: "The basic thought is that the Department would be less likely to be criticized from any sources if it adhered strictly to the long-established practice in warrant proceedings and did not depart therefrom for this or any other particular case." In longhand on the margin of this letter, is found the following statement: "I do not entirely agree but matter can be postponed until case is set down for hearing again. G. D. R." (G. D. R. are the initials of Mr. Reilly.)

Further light is thrown on the attitude of prominent officials of the Department of Labor in the letter from Edward W. Cahill, district commissioner of immigration and naturalization at San Francisco, Calif., to James L. Houghteling, Commissioner, wherein the following significant language was used: "Before we bury this case (Bridges case), may I just present this sequence of facts?" On the same day, April 21, 1938, Mr. Houghteling, writing to Mr. Cahill, said: "Because of the reproach which I was obliged to administer therein to Mr. Bonham's excessive zeal and bad judgment in putting into the record his telegram prejudging the action of the central office, I request that you destroy this copy after reading it; you may, however, show it to Mr. Haff, whom I wish to keep in touch with the developments in this situation. Because Raphael

Bonham is so keenly devoted to his duty as he sees it, I should not want a knowledge of this gentle reprimand to go beyond yourself and Mr. Haff."

Finally, on February 8, 1938, Mme. Frances Perkins wrote to Harry Bridges a personal letter in which she said: "Should the Department proceed with hearings, it does not mean that it has adopted the view that the evidence which the complaining witnesses have submitted is necessarily trustworthy."

The reasonable presumption from the foregoing is that there was a disposition on the part of some of the higher officials of the Department of Labor, including the Solicitor and Secretary Perkins, to accord special consideration to Harry Bridges.

Finally, although it was recommended by R. P. Bonham, district director, and by R. J. Norene, divisional director, in an application for a warrant for the arrest of Harry Bridges dated on September 22, 1937, that an averment be included in the Harry Bridges warrant that he believed in, advised, advocated, and taught the overthrow by force and violence of the Government of the United States, this averment was omitted from the warrant of arrest that was issued by the Department of Labor. This omission by the Department of Labor, in the face of the recommendation of its district and divisional directors, can only be interpreted as an intentional effort to so limit the charges against Harry Bridges that it may be possible for him to escape deportation.

In proof of the sixth averment, I direct your attention to the following chain of events which I have previously established, through documentary evidence: 1. That the Department of Labor induced the Department of Justice to appeal a case imperfectly presented before the district court, in that certain exhibits were omitted as evidence; when the Department of Labor was only required under the decision of the circuit court to have retried the issues and submitted this additional proof. 2. That this appeal has been perfected, unnecessarily, by the Department of Justice, at the request of the Department of Labor, to delay the deportation proceedings against Harry Bridges; and with the hope that an adverse decision by the Supreme Court in the Strecker case might destroy the pending case against Harry Bridges. 3. That the documentary evidence heretofore submitted shows an overwhelming bias on the part of the Department of Labor in favor of Harry Bridges. 4. Finally, my examination of the petition for a writ of certiorari filed by the Department of Justice in this case convinces me that this petition for a writ of certiorari was prepared in the office of Mme. Perkins by her Solicitor, Mr. Reilly, and that the fine hand of Miss Perkins is revealed not only in the taking of an imperfect case to the Supreme Court but also in the omission of an important issue in that appeal that was taken.

Understand, Mr. Solicitor General, this is not an attack upon you but is an effort to show the deception which has been perpetrated upon the Department of Justice.

In view of the foregoing, if it is still your desire that I should appear before the Supreme Court or that our committee should file a brief therein, I will try if possible to do so, either personally, as suggested by you, or in lieu thereof, endeavor to furnish you with the assistance of eminent counsel, to assist you in the presentation of this case.

I have an abiding faith in the wisdom, courage, and patriotism of the Supreme Court when all of the facts are before them.

Feeling sure that the President of the United States and Attorney General Cummings will likewise appreciate the assistance which you have solicited and which I am tendering in the way of constructive criticism, I am sending a copy of this memorandum to each of them.

Very sincerely yours,

MARTIN DIES,
Member of Congress.

In volume 4 of the hearings before the Special Committee on Un-American Activities there will appear the testimony of Capt. John J. Keegan, chief of detectives of the Portland, Ore., police department, who testified that he had held that position for 4 years and had been a police officer for 27 years; that as said chief of detectives he had had occasion to conduct investigations of alleged un-American and subversive activities in Portland and along the Pacific coast, and that as a result of said investigations—

"We found that Harry Bridges, leader of the longshoremen's union on the Pacific coast, was an alien and a member of the Communist Party of the United States of America, and also that Harold Pritchett was a Canadian subject and also a member of the Communist Party. He is president of the Timbermen and Saw Mill Workers' Union International"; and that these two men have been active in and around the Portland area as well as in other areas on the Pacific coast; and that while "they are working under the guise of labor leaders," they are in reality "both members of the Communist Party"; and that, based upon his investigation and the affidavits which he is in a position to furnish to the committee, he would say that their real purpose "in my belief it is to undermine the Government and overthrow it by force and violence when the proper time comes."

This statement by Captain Keegan is based upon investigations that have been conducted by the Portland (Ore.) detective bureau ever since 1918; and there are 20 witnesses available to testify with reference to the activities of Bridges and Pritchett, as well as other Communist leaders on the west coast; and—

"They will give you definite proof of operations of the whole Communist party on the Pacific coast."

Captain Keegan further testified:

"In my opinion, the Communist movement on the west coast is getting to be a very dangerous, I might say, condition, as far as our Government is concerned."

Captain Keegan further testified that other members of his force could elaborate more fully from personal knowledge on the subject of subversive activities:

"Yes, Detective Walter B. O'Dale, who was in the Intelligence Service during the war and conducted the same kind of investigation, and we have had him on our staff since the war, exclusively on that work."

Captain Keegan further testified that he had in his possession affidavits or documents to substantiate the statements which he had made with reference to the activities of Harry Bridges and Harold Pritchett.

From an affidavit of John L. Leach, Captain Keegan read the following:

"I further state that in June of 1936 I was a regular and official delegate of the Communist Party to its ninth annual convention, held in Manhattan Opera House, in New York City. * * * and that as such delegate I discussed with my codelegates of California the nomination of Harry Bridges as a member of the central committee of the Communist Party, United States of America; * * * was successful in seeing his name put in nomination and later elected to said central committee, * * * the State central committee of California of the Communist Party."

Further quoting from this affidavit, Leach says:

"I was a candidate for the California sixty-seventh assembly district on the ticket of the Communist Party, and that in 1936 I was the Communist Party congressional candidate in the Seventeenth California District."

Captain Keegan then read into the record of the committee the entire affidavit of John L. Leach.

John E. Ferguson testified before the Special Committee on Un-American Activities, and his testimony will appear in volume 4 of the hearings of that committee, and in substance is as follows:

"That he is a member of the Communist Party; that he joined that party in June or August 1936 in Portland, Ore.; and that he was called to San Francisco to commence negotiations for a union with which he was connected, and while there attended all top-fraction meetings of the Communist Party, water-front section, in the city of San Francisco; that he joined the Communist Party to save his job; that it was either join the party or be thrown out as the business agent for the Pacific Coast Marine Firemen, Oilers, Water Tenders, and Wipers' Association; that he knows Harry Bridges well and has known him since 1935, and that Harry Bridges is a Communist and that he sat in top-fraction meetings with Harry Bridges in the city of San Francisco on dates too numerous to mention, and that the Communist Party on the Pacific coast has been active in trade-union movements during the past few years, 'so active, Mr. Chairman, that through the Communist Party and their program they have been able to rape some of the staunchest trade-unions we have had on the coast.'"

Mr. Ferguson testified further:

"That he had attended a meeting in San Francisco with Harry Bridges and others in August 1936 and remembers the date 'because at that particular time the Communist Party defenders were drawn together to arrange for the defense of King, Connor, and Ramsay,' who were charged with the murder of George Alberts at the Encinal Terminal in Alameda. Alberts was the chief engineer of the *Point Lobos*."

This witness further testified:

"That these Communists met and discussed details for the defense of the three men charged with the murder of George Alberts, and that subsequently four men were convicted of this murder, to wit, Earl King, E. G. Ramsay, Frank Connor, and George White, and that Earl King was a Communist and secretary of the Pacific Coast Marine Firemen, Oilers, Water Tenders, and Wipers' Association; and that he attended a meeting about a week prior to King's arrest, with other Communists, in a restaurant on Market Street in San Francisco, where they discussed the advisability of Earl King 'scramming,' as they knew that the King-Ramsay-Connor case was about to 'break'; and that at this meeting there were present the witness and also Earl King, Henry Schmidt, and William Schneiderman; and that this meeting was the meeting of the top fraction, 'which puts forth and carries out the program of district organizer No. 2 of the Marine Federation of the Pacific. * * * The fraction organizer was William Sundheim.'"

He further testified that at the meeting that was held in San Francisco, with reference to the King-Ramsay-Connor defense committee, that the nature of the defense from a publicity standpoint was "an attempt to ridicule Earl Warren, who was prosecuting attorney, and to bring out to the public that they were not guilty of this alleged murder, but that the shipowners were concentrating all of their efforts on breaking the attempt or forthcoming strike, by having our men put in jail."

Ferguson also testified that they hired a publicity agent for the purpose of painting these men as martyrs to the labor cause and to ridicule the prosecuting attorney, and that "they spent \$16,000 on publicity alone," which was secured "by assessing the members of the various trade-union movements," and that these organizations contributed from their treasuries:

"Oh, yes; we donated on several occasions. The first time, and it is a matter of record in the minutes, we gave \$3,000, 2 days after they had been arrested at one meeting of the Pacific Coast Marine Firemen, Oilers, Water Tenders, and Wipers' Association. We also volunteered a \$5 assessment, which had everyone paid it would have amounted to over \$40,000, as we had a membership of upward of 8,000 at that time."

Ferguson also testified that the defense of these men was handled "practically entirely through the medium of the Communist Party" and that it is a part of the strategy of the Communist

Party in the trade-union movement to get hold of the funds of different trade unions, and that "they are very successful in getting hold" of these funds.

In further proof of his averments with respect to the slush fund raised by the Communist Party, and the use made of the same to defeat the ends of justice, he offered two pamphlets which were financed and put out by the Communist Party and which were marked as "Exhibits Nos. 1 and 2 Ferguson." One of these pamphlets was entitled "The King-Ramsay-Connor Frame-up, Earl Warren's Murder Case," and the other pamphlet was entitled "Not Guilty, the Ship Murder Frame-up."

Ferguson also testified that he had attended top fraction meetings with Roy Hudson during the seamen's strike of 1937 and that Roy Hudson played "a very important part. He gave orders which Bridges, myself, William Sundheim, and the other Communist members obeyed."

Ferguson further testified that he had attended "at least five Communist meetings with Harry Bridges." And with reference to said meetings he further testified: "I want to state that in top fraction meetings of the Marine Firemen, Oilers, Water Tenders and Wipers' Association no one but a Communist could get through those doors."

Ferguson testified that the attorneys for King, who was a Communist and charged with the murder of George Alberts, were George Anderson and Aubrey Grossman, and that they live in San Francisco and are members of the Communist Party. (The Department of Labor records, with respect to the arrest of Harry Bridges on March 5, 1938, show that Aubrey Grossman is one of his attorneys of record.)

Ferguson further testified that he had sat on numerous occasions in top-fraction Communist meetings with Aubrey Grossman.

Ferguson then testified how the Communists got control of the negotiating committee during the seamen's strike in 1936 and 1937, how at first the coastwise negotiating committee was composed of three conservatives, that is, non-Communists, and of two Communist members, and how the Communists got control of this negotiating committee by putting out propaganda that Ben Drysdale, a conservative member of said committee, "had been seen talking to the shipowners and in his place" there was "elected one of the most prominent Communists on the Pacific coast," which gave control in the negotiating committee to the Communist Party, and through the maneuvers of the Communist Party the strike was prolonged at least 45 days longer than it should have been, and this was done through the propaganda machine that the Communist Party used to misconstrue the facts and the issues.

Ferguson further testified that at the same time that his union was on strike the International Longshoremen's Association of the Pacific Coast was also on strike, and that Harry Bridges was on the negotiating committee of that union, representing Pacific coast longshoremen.

Ferguson read into the record a letter dated February 9, 1937, from Frances Perkins, Secretary of Labor, congratulating him "as a member of the negotiating committee, on the part which you have played in bringing to a close the maritime strike," which letter was introduced in evidence as "Exhibit No. 3 Ferguson."

Ferguson further testified that—

"Just prior to the beginning of December in 1936, at a meeting of the top fraction of the Communist Party, which I attended, Harry Bridges, who was present among others, * * * said: 'That strike, at all costs, must be prolonged; that that was the party line; and under no consideration was arbitration to be considered in any way, shape, or form.'"

That the foregoing testimony introduced before the Special Committee on Un-American Activities by Captain Keegan and Mr. Ferguson, and much more evidence of equal merit, was in the possession of or available to the said Frances Perkins, James L. Houghteling, and Gerald D. Reilly, for their use in deportation proceedings against Harry Bridges prior to April 1938, when they deferred the Bridges hearing.

That for several months prior to April 1938 Frances Perkins, James L. Houghteling, and Gerald D. Reilly knew of the perjury committed by Harry Bridges in the execution of his first papers in San Francisco in 1928, and of other acts by Harry Bridges, involving moral turpitude, as evidenced by records in the files of the Department of Labor, including a letter dated June 22, 1935, from Thomas V. Donoghue, immigration inspector, to the district director of Immigration and Naturalization Service at San Francisco, Calif.; a letter from Immigration Inspector M. C. Pommerane, addressed to Divisional Director of Immigration and Naturalization Service at Portland, Oreg., dated November 30, 1937; a letter from Assistant District Director Paul Armstrong to James L. Houghteling, dated March 1, 1938; and a letter from James L. Houghteling to Senator Royal S. Copeland, under date of March 10, 1938.

Whereas it appears from the foregoing that Frances Perkins, Secretary of Labor; James L. Houghteling, Commissioner of Immigration and Naturalization Service of the Department of Labor; and Gerald D. Reilly, Solicitor, Department of Labor, as civil officers of the United States, were and are guilty of high crimes and misdemeanors in office in manner and form as follows, to wit: That they did willfully, unlawfully, and feloniously conspire, confederate, and agree together, from on or about September 1, 1937, to and including the date of the filing of this resolution, to commit offenses against the United States, and to defraud the United States, by failing, neglecting, and refusing to enforce the immigration laws of the United States, including, to wit, section 137, title 8, United States Code, and section 156, title 8, United States Code,

against Alfred Renton Bryant Bridges, alias Harry Renton Bridges, alias Harry Dorgan, alias Canfield, alias Rossi, an alien, who advises, advocates, or teaches and is a member of or affiliated with an organization, association, society, or group that advises, advocates, or teaches the overthrow by force or violence of the Government of the United States, or the unlawful damage, injury, or destruction of property, or sabotage; and that the aforesaid Frances Perkins, James L. Houghteling, and Gerald D. Reilly have unlawfully conspired to defer and to defeat the deportation of the aforesaid alien, and have conspired together to release said alien after his arrest on his own recognizance without requiring a bond of not less than \$500; and that said Frances Perkins, James L. Houghteling, and Gerald D. Reilly, and each of them, have committed many overt acts to effect the object of said conspiracy, as hereinbefore shown, all in violation of the Constitution of the United States and the statutes of the United States in such cases made and provided; and

Whereas it further appears from the foregoing, that Frances Perkins, James L. Houghteling, and Gerald D. Reilly, as civil officers of the United States, were and are guilty of high crimes and misdemeanors by unlawfully conspiring together to commit offenses against the United States and to defraud the United States by causing the Strecker case to be appealed to the Supreme Court of the United States, and by failing, neglecting, and refusing to enforce section 137, United States Code, against other aliens illegally within the United States, contrary to the Constitution of the United States, the statutes of the United States in such cases made and provided:

Resolved, That the Committee on the Judiciary be and is hereby authorized and directed, as a whole or by subcommittee, to investigate the official conduct of Frances Perkins, Secretary of Labor; James L. Houghteling, Commissioner of Immigration and Naturalization Service, Department of Labor; and Gerald D. Reilly, Solicitor, Department of Labor, to determine whether, in its opinion, they have been guilty of any high crimes or misdemeanors which, in the contemplation of the Constitution, requires the interposition of the constitutional powers of the House. Such committee shall report its findings to the House, together with such articles of impeachment as the facts may warrant.

For the purposes of this resolution the committee is authorized and directed to sit and act, during the present session of Congress, at such times and places in the District of Columbia, or elsewhere, whether or not the House is sitting, has recessed, or has adjourned; to hold hearings; to employ such experts and such clerical, stenographic and other assistance; and to require the attendance of such witnesses and the production of such books, papers, and documents; and to take such testimony and to have such printing and binding done; and to make such expenditures not exceeding \$10,000, as it deems necessary.

Mr. THOMAS of New Jersey (interrupting the reading of the resolution). Mr. Speaker, in order to save time I would like to submit a unanimous consent request.

The SPEAKER. The gentleman will state it.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent that further reading of the resolution be suspended until page 36 is reached and that the reading of the resolution be resumed from that point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. I make the further request, Mr. Speaker, that the entire resolution be included in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk resumed and concluded the reading of the resolution.

Mr. RAYBURN. Mr. Speaker, I move that the resolution be referred to the Committee on the Judiciary of the House and upon that I desire to say just a word. A great many suggestions have been made as to what should be done with this resolution, but I think this would be the orderly procedure so that the facts may be developed. The resolution will come out of that committee or remain in it according to the testimony adduced.

I therefore move the previous question on my motion to refer, Mr. Speaker.

The previous question was ordered.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—REPORT OF JOINT PREPARATORY COMMITTEE ON PHILIPPINE AFFAIRS

The SPEAKER laid before the House the following message from the President of the United States, which was

read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States of America:

I transmit herewith for the consideration of the Congress the report of the Joint Preparatory Committee on Philippine Affairs appointed by President Quezon and myself to recommend a program for the adjustment of Philippine national economy. This report was made public on November 29, 1938. It has my approval and the approval of President Quezon as indicated in the press announcements, copies of which are attached, made on the date of publication of the report.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 24, 1939.

[Enclosures.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for one-half hour at the conclusion of the other special orders for today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter addressed by me to Colonel Fechner, of the C. C. C.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I am sorry to be obliged to object to the request of the gentleman from West Virginia, but until the statement of the gentleman from New York [Mr. BARTON] is printed, I must do so. I want also to call attention to the fact that last night, when I was temporarily absent from the floor, permission was given to one Member of the House to reprint two speeches he made in a previous Congress, and no one, not even the gentleman from California, who has a passion for conservation of the cash of the Treasury, objected. So I object to this request, Mr. Speaker.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. The Chair is unwilling to submit that request without the consent of the gentleman from Texas [Mr. PATMAN], who has a special order today. If it is agreeable to the gentleman from Texas the Chair will submit the request.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the Federal judiciary.

Mr. MARTIN of Massachusetts. I object, Mr. Speaker.

COMMITTEE ON MILITARY AFFAIRS OF THE HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent that the House Military Affairs Committee may conduct hearings during sessions of the House during the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary, if it so desires, may sit during the rest of the week during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HALLECK] may be permitted to extend his remarks in the RECORD by inserting a statement made by the gentleman from New York [Mr. BARTON].

Mr. THOMAS F. FORD and Mr. HOOK objected.

The SPEAKER. Under the special order of the House the gentleman from Texas [Mr. PATMAN] is recognized for 45 minutes.

H. R. 1. FEDERAL TAX ON INTERSTATE CHAIN STORES—\$100,000,000 LOBBY FOR SMEAR CAMPAIGN—WILL KIDNAPING AND MURDER BE RESORTED TO?—DELIBERATE ATTEMPT BEING MADE BY BIG MON- EYED INTERESTS TO INTIMIDATE ALL PUBLIC OFFICIALS—SERKO- WICH & JENCKES, TATTLER TUCKER AND "DR." POKEBERRY POPE EXPOSED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and in connection therewith to insert certain excerpts and other printed matter and explanations thereof.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Will the gentleman explain the nature of his proposed extension?

Mr. PATMAN. It will be something that will be material and relevant to the statements that I expect to make. I assure the gentleman there will be no extraneous remarks by outsiders unless they should consist of some excerpt that I think is material. I believe the gentleman has enough confidence in my judgment to trust me in that respect.

Mr. MAPES. I have complete confidence in the gentleman from Texas, but in view of the policy which seems to be adopted here, I ask the gentleman if the excerpts which he proposes to insert contain any clippings from newspapers or magazines?

Mr. PATMAN. I do not contemplate introducing anything like that.

Mr. MAPES. Nothing from newspapers or magazines?

Mr. PATMAN. No; I have nothing like that in mind.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

H. R. 1

Mr. PATMAN. Mr. Speaker, H. R. 1 is a bill known as a bill to tax interstate chain stores. This bill will be insisted upon at this session of Congress. I know that the passage or the defeat of any measure depends upon public sentiment of the people of this Nation. If public sentiment supports a bill, it has a chance of passage and will be passed. If it does not support a bill, that bill does not have a chance. Public sentiment controls this country and its lawmaking body on all major legislation.

I do not concede that the Federal chain-store tax bill is the only major problem before Congress today. But it dovetails into other major problems on which I am working, and it has a great bearing on them. I refer to adequate security for the aged, parity income for farmers, discriminatory freight rates, a fair monetary system, uncontrolled and uninfluenced by those who are selfishly interested.

The American people are honest, fair, and intelligent. If they have the benefit of correct information on both sides of a public question, the majority of them will agree on what should be done, and by direct communication, compel their lawmaking Representatives to carry out their will.

Public sentiment controls this country to such an extent that I do not know of a Member of Congress who is not eager to carry out the wishes of a majority of his constituents.

More than 100 Members of Congress in the House of Representatives have already informed constituents that they will vote for this bill.

BILL MISREPRESENTED

This bill has been very much misrepresented. In the first place, it has been advertised by those opposing it as a bill to destroy the chain-store systems of this country. That is absolutely untrue. In the first place, it exempts from any tax nine stores. Then the tax on a large number of stores in one State is not unreasonably high, and I assure you that a concern under this bill could operate a comparatively large number of stores in one State without a prohibitive tax being levied against it, though I frankly admit that if the concern attempts to spread out all over the Nation and take all of the privileges and opportunities of the people all over the Nation, eventually, giving the concern time to liquidate, a prohibitive tax will be placed upon the stores outside of the State.

WHY A TAX BILL

The question will be asked if we are trying to restrict them to one State, why we do not introduce a bill to that effect. That was very seriously considered and a bill to that effect was prepared, but the best lawyers of the Nation said there was doubt as to its constitutionality.

There is one safe constitutional approach to this problem, and only one, and that is to use the taxing power of Congress as a vehicle to accomplish a worthy objective, and in doing it we have many precedents. After the War between the States, when the State banks were issuing currency and the Congress of the United States wanted to stop it, why did not the Congress pass a law saying that a State bank could not issue currency? The answer is that it would have been unconstitutional; but the Congress used the taxing power as a vehicle and placed a 10-percent tax on that currency, which resulted in destroying a number of State banks, but it accomplished the very worthy objective of saving the currency system of this Nation. Why do we place a tax upon the ownership and the transfer of machine guns? Is it for the purpose of raising revenue? No; admittedly not for that purpose. It is for the purpose of keeping up with the ownership and the transfer of those machine guns so that the Government can more effectively deal with the criminal class in this country. There are two cases—and I could name a number of others—where the taxing power of Congress is used as a vehicle to accomplish a worthy and desirable purpose. So in approaching this problem from the angle of taxes we are not breaking any precedent. It has been used by both parties, the Republicans and the Democrats, in the past in the Congress of the United States and for the same purpose.

ONLY 1 PERCENT OF CHAIN COMPANIES SERIOUSLY AFFECTED

There are about 1,500 chain-store companies in this country. The average number of stores to each company is 35. This bill will levy a tax so small upon 35 stores that no company will have cause to seriously object to it, and they will not object to it. Where do all these objections come from, you ask? They come from the 1 percent of the chain-store companies—1 percent, 15 or 20—that are attempting to gain control of retail distribution in this country. That is where the opposition comes from, and they are the ones that you hear from in these inspired letters, where the chain-store operator has eight forms for the purpose of getting people to write a letter. One of these forms is used and the letter written on stationery furnished gratis by the company, and the manager turns them in to the chain office unsealed. Then they are examined, and if found satisfactory they are sealed up and stamped and sent to the Congressmen in Washington—inspired propaganda from 1 percent of the chain stores that will be affected by the terms of this bill.

ONE COMPANY DOING 10 PERCENT OF FOOD BUSINESS

We have one concern in America that is doing 10 percent of the retail food business. Ten such concerns would do all of the food business in America. The effect of this large purchasing power has been disastrous, not only to the farmer, who has been the principal sufferer, but also to the consumer as well. The Federal Trade Commission has pointed this out to Congress on numerous occasions.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SIROVICH. Which is the organization that is doing 10 percent of the business?

Mr. PATMAN. It is the Atlantic & Pacific Tea Co. that is doing 10 percent of the retail grocery business of America.

If nine other concerns like that one were doing as much, all the food business in America would be under their charge or under their control.

I would not like to yield any further right now. I will yield to any Member before I finish these remarks.

But in regard to the food business, the farmer has been hurt for this reason: They have ganged up on the farmers and they have forced them to sell for very low prices. They brag about this to their city consumers. They say in effect, "We have such buying power that we can make the farmers

sell to us for whatever prices we offer. If they do not, we will go out of the market and destroy the market."

Some city consumers like that, but many of the city consumers have vision. They can see what this will lead to. If it destroys the farmers' buying power, the farmers are the best customers of the people who live in the cities, so that the buying power of these farmers being destroyed, the people who live in the cities are also injured by such tactics as that.

MIDDLEMEN WERE TO BE ELIMINATED

When chains first came in, the argument was made that the wholesale houses would be eliminated and that traveling men would be eliminated. The wholesalers have not been eliminated. The interstate chains have set up their own wholesale houses. There is no saving there. Not a single distributive expense has been eliminated by the chains. The result was 295,000 traveling men were turned off one year, in 1929. Of course, that upset our employment problem in this country. More have been turned off each year since. If that is in the interest of the country, I have not a word to say, but let us see if it is in the interest of the country. Did it reduce the spread between the producer and the consumer? No.

Take your own United States Government figures and you will discover that the spread the last 10 years during chain domination is greater than it was during the preceding 10 years of competitive business. The spread has become greater, and in 1932, when the chains made from 20 to 30 percent profit on their investment—that hard year that we all know about—the retail dollar was reduced to the farmer to the amount of 33 cents. He had been getting 60 cents out of every retail dollar before chain domination, but in 1932 it was reduced to 33 cents, and it is not much more than that today.

WHERE DO CHAIN PROFITS GO?

So in taking these hundreds of thousands of traveling men off the road and in creating a greater unemployment problem, it seems to me it has not helped the producer—we know it has not; it has not helped the consumer. Where does that money go? It goes to a few Wall Street bankers in New York and to a few charming American ladies who go overseas and marry some count for a husband. That is where the money goes. It is taken away from the local communities and placed in the hands of a few people and used by a few people. Much of it goes to foreign countries. It is not placed back into circulation, because they do not need any of the comforts and necessities of life that they are not already buying. So it creates a very serious and damaging problem.

OPPORTUNITIES FOR YOUNG PEOPLE AT STAKE

The Works Progress Administration has reported that every decade at least 2,000,000 young men and women must leave the farms and go into the cities, that the farms cannot take care of them. What are those 2,000,000 young folks going to do? If you have the chain-store system operating from one end of the country to the other, they have charge of all these local communities. The local print shop is out. The local lawyer is gone. They do not need him. In addition to that, the insurance agents are gone. He cannot go into the grocery business or the drug business. What are those 2,000,000 young people going to do? If you prevent them from having the opportunity of going into business for themselves, what are you going to do with them? That is just the young people. It is a serious question.

WHAT ABOUT CONSUMER?

Now, what about the consumer? The consumer is the father or mother of those young people. The consumer is also thinking about what will happen to him when he gets to be 45 or even 40 or 35 years of age. Private industry will not employ him. What can he do? In times gone by he could go into business for himself—into the insurance business or the printing business, or many different kinds of business, but he cannot do it now. So you might just as well make arrangements to either curb the greed of a few people who are trying to get control of retail distribution and all the privileges and opportunities of this Nation, or arrange

to put many of them on some kind of relief roll when they get to be 21 years of age—certainly when they get to be 35, when they cannot get employment in private industry. It is a very serious question.

INTERESTED IN PROBLEM NUMBER OF YEARS

Now, I have been interested in this problem of chain stores for a number of years. In fact, 10 years ago I made speeches upon this subject, pointing out some of the things I have pointed out today. The Robinson-Patman bill was proposed. It was not price fixing. It included everybody. It was not anti-chain. We thought that bill would do the work, but we discovered, after we gave the independent merchants a better chance and opportunity in their buying power, which they should have had, the chains could still use the profits they make in a town where they already have a monopoly to squeeze out and destroy the independent merchants in another town until they got control in that town. So the Robinson-Patman Act failed to correct that abuse. Something else had to be done. So in 1938 I proposed this bill for the purpose of placing this tax on interstate chain stores.

THE ROBINSON-PATMAN ACT

The Robinson-Patman Act comes up in any discussion involving independent merchants. Let me tell you briefly about that bill. It was offered in June 1935. I introduced it in the House and Senator Joseph T. Robinson, of Arkansas, introduced it in the Senate on the same day, I think, or about the same time.

It became a law on June 19, 1936. After that bill was passed there was much confusion in the country. You remember it. Some of them said: "Why, this changes the practices of 75 years. Why, you have done here in one short act what it took Congress 20 years to do in the Interstate Commerce Act. You have not approached this step by step like it was approached in the Interstate Commerce Act. What is this all about? How does it apply to my concern when it says 'commerce among the States.' What is commerce under the act? What does 'proportionately equal terms' mean in that law? What does 'quantity limits' mean? And what does 'advertising allowances,' 'facilities granted to all alike'—what does that mean? What does the triple damage clause mean? What does the criminal provision mean that provides for a jail sentence and a fine up to \$10,000? What does 'using brokerage as a bribe' mean?"

LAW NEEDS CLARIFICATION CONTENTED

All these questions came up, and people wanted that law explained. The Federal Trade Commissioners held conferences every day into the night with groups, explaining that law. Some of them and their employees made speeches to different groups explaining the law. Chambers of commerce secretaries who understood this law were called upon to go out and explain it to people who wanted to abide by it. Senator Robinson was called upon. He said he would go when he could. I was called upon, and about that time it was suggested that a national tour should be made for the purpose of explaining to people all over the country what was meant by this law that had upset the bad practices of the trade for 75 years.

I was approached by a speakers' bureau, so was Senator Robinson. Senator Robinson could not go on a national tour. I talked with him. He advised me to go. He did make some speeches himself when he could conveniently, and he made good speeches. He explained the law as well as it could be explained. Businessmen said his explanation of it was very helpful to them.

NATIONAL SPEAKING TOUR

I had never been on speaking tours for speakers' bureaus. I did not know about this business of being a Congressman and making speeches and receiving an honorarium in excess of actual expenses. In 1930 James E. Van Zandt, a good friend of mine who is now a Member of this House, from Altoona, Pa., under the auspices of the Veterans of Foreign Wars, and I made a trip through the Middle West in support of the bill to pay the veterans. We spoke four or five times a day during Christmas week. That was just a short

tour but included many cities. The bill to pay 50 percent of the so-called bonus passed in 60 days after this trip. Then in 1932, 1933, 1934, and 1935 I made two national tours myself in behalf of a bill I was deeply interested in to pay the remainder due the veterans of the World War on their adjusted-service certificates, and which I felt would be helpful to the people of this country. This bill was H. R. 1 in two different Congresses. Those tours were made at my own expense—two of them. It cost me \$10,000 of my own funds to make these two national speaking tours. Part of this money was borrowed and paid back later. I reached every State in the Nation on these two national speaking tours, and the law providing for full payment was enacted in January 1936. But this matter of making speeches for a speakers' bureau was a new thing to me. I did not know anything about it. I knew that oftentimes great speakers would come to our home town—Chautauqua speakers, lyceum speakers—but I never dreamed that the time would ever come when I would be called upon to speak under the auspices of such an organization as that all over the country.

A speakers' bureau—the Thomas Brady Speakers' Bureau in New York—communicated with me. They told me they had many invitations for me to make speeches. I said that I had received lots of invitations myself. They said, "Well, why not let us fix up a national tour?"

I said, "I do not know much about this. I want to look into it."

So I wrote to three able men, three men as great, and able, and as big as there are in the United States today. They are three of the most prominent, public, political men in America today, men in whom I have confidence and the people of this Nation have confidence. I will not read their names because I do not have their permission. I do not believe they would object, but I shall not take that liberty since I have not spoken to them about it. One of them wrote to me and said:

DEAR MR. PATMAN: I have your letter of September 30, concerning Mr. Thomas Brady, of New York.

I have from time to time delivered addresses for Mr. Brady at different sorts of public gatherings and have found him to be most courteous and reliable in every way.

During recent years the depression has cut down very materially the number as well as the compensation of addresses, but I still deliver an address now and then for Mr. Brady, and I can recommend him as probably as reliable a speakers' bureau as I know anything about.

Hoping your relations with him will be mutually satisfactory, I am,

Sincerely yours.

The second one wrote me:

DEAR CONGRESSMAN PATMAN: Thomas Brady, who for many years handled speaking engagements for me with entire satisfaction to me and to himself, has advised me of an interview he has had with you. I am sure that if you are interested in a lecture tour you will find no better man to assist you than Thomas Brady.

With best wishes, I am,

Sincerely yours.

Another one:

MY DEAR MR. PATMAN: Your letter of September 30 received. Mr. Thomas Brady has, for the past 15 years, been my exclusive manager of my speaking engagements.

Mr. Brady is a gentleman of strict integrity, large ability, and entirely trustworthy; he is fair and militantly honest. He is the most reliable impressario in America today, and he is not interested, directly or indirectly in, or concerned with, promoting or defeating any legislation.

With assurances of high esteem,

Sincerely yours.

After making that investigation I felt that it was all right. So I took the invitations I had and delivered them to this speakers' bureau and said: "Now, you take yours, and instead of my going to Chicago a number of times, and New York a number of times to accept all the many invitations from these places and other places, get them all together, coordinate them so I can make one speech in each place, just make one national tour." That is what was contemplated when it was gotten up. It was then decided that the independent merchants and different organizations in a number of places wanted to sponsor certain meetings. The speakers' bureau permitted them to do so. Then the time came before the

national itinerary was completed when McKesson & Robbins public relations representative said: "We would like to sponsor some of these meetings. We understand many of them will be held in cities where we are vitally interested. We have business representatives there." I was conferred with about it.

I said, "Sure; it is all right with me. I do not care who sponsors the meetings, just so we have only one meeting at a place." Now, those meetings would have been held regardless of the particular ones who sponsored them, because various invitations from sundry organizations had come in from all these places where the meetings were held.

Here is the way I reasoned the matter. I was to talk about a law that had already been passed. I have as much right to discuss a law at a public meeting as to go into a courthouse and discuss a law. Many Members of Congress are lawyers. They practice law. They have a right to, and nobody criticizes them for it. I did not talk about anything else. The speaking tour was arranged for October, November, and December 1936 and at a number of the meetings McKesson & Robbins' local representatives had charge of the arrangements. In connection with that, Mr. Speaker, I am going to place in the RECORD a copy of the speech I made at these meetings, and this is exactly the same speech, so far as all material points are concerned, that I made all over the country, with the exception of the questions and answers at the end. At the end of every speech on the Robinson-Patman Act I yielded for questions. They asked me questions from the floor, and those questions were different at the various places, and, of course, the answers had to conform. That is the only difference. I will put the speech in the RECORD. I may say further that every speech I made was taken down in shorthand or by stenotype and every word I said on that trip is a matter of record, most of it in print. Every word in every one of these speeches has been read by my opponents.

COPY OF ROBINSON-PATMAN ACT

I insert herewith a copy of the Robinson-Patman Act. It will be noticed that it is not a price-fixing bill; that there is not a word in it that compels anyone to use a wholesaler or a middleman. There is not a word in it that prevents a seller, whether he is a manufacturer or wholesaler, from selling direct to consumers.

[Public, No. 692, 74th Cong.]

An act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes

Be it enacted, etc., That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

"Sec. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided*, That nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *Provided, however*, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade: *And provided further*,

That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

"(b) Upon proof being made, and any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however*, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

"(c) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

"(d) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

"(e) That it shall be unlawful for any person to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all purchasers on proportionally equal terms.

"(f) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by this section."

SEC. 3. That nothing herein contained shall affect rights of action arising, or litigation pending, or orders of the Federal Trade Commission issued and in effect or pending on review, based on section 2 of said act of October 15, 1914, prior to the effective date of this amendatory act: *Provided*, That where, prior to the effective date of this amendatory act, the Federal Trade Commission has issued an order requiring any person to cease and desist from a violation of section 2 of said act of October 15, 1914, and such order is pending on review or is in effect, either as issued or as affirmed or modified by a court of competent jurisdiction, and the Commission shall have reason to believe that such person has committed, used, or carried on, since the effective date of this amendatory act, or is committing, using or carrying on, any act, practice, or method in violation of any of the provisions of said section 2 as amended by this act, it may reopen such original proceeding and may issue and serve upon such person its complaint, supplementary to the original complaint, stating its charges in that respect. Thereupon the same proceedings shall be had upon such supplementary complaint as provided in section 11 of said act of October 15, 1914. If upon such hearing the Commission shall be of the opinion that any act, practice, or method charged in said supplementary complaint has been committed, used, or carried on since the effective date of this amendatory act, or is being committed, used, or carried on, in violation of said section 2 as amended by this act, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and serve upon such person its order modifying or amending its original order to include any additional violations of law so found. Thereafter the provisions of section 11 of said act of October 15, 1914, as to review and enforcement of orders of the Commission shall in all things apply to such modified or amended order. If upon review as provided in said section 11 the court shall set aside such modified or amended order, the original order shall not be affected thereby, but it shall be and remain in force and effect as fully and to the same extent as if such supplementary proceedings had not been taken.

SEC. 3. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the

United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than 1 year, or both.

SEC. 4. Nothing in this act shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association.

Approved, June 19, 1936.

COPY OF ADDRESS MADE ON NATIONAL SPEAKING TOUR IN 1936

The following is a stenographic copy of an address made on the national speaking tour in 1936. The other addresses were not substantially different except the questions and answers at the end. The questions at each meeting were different.

Mr. Chairman, ladies, and gentlemen, as explained by the chairman, I am here to talk to you about the Robinson-Patman law. Never before in the history of this country has such a major controversial law been enacted in such a short length of time. There is a reason for that. Usually it takes years and years to sell the country on a good cause. It happens sometimes that circumstances and conditions will cause this information to spread more quickly than at other times, and the people getting the truth, demanded that legislation be passed.

In 1935, in the early part of the year, the Speaker of the House, the Honorable Joseph Byrns from Tennessee, appointed me chairman of a committee to investigate certain lobbying activities of the American Retail Federation. I told him I would accept with the understanding that the committee be instructed to investigate large-scale buying and selling at the same time. That was agreed upon and I undertook to do what was necessary in the course of the investigation. We discovered in this certain trade practices that were destructive to public and consumers' interests. After these practices were discovered I wanted to introduce a bill which I wanted to become a law that would cure these abuses.

Many bills were submitted to me and we took one as a basis, which was submitted by the United States Wholesale Grocers Association. There are two wholesale grocers' associations, the National American Wholesale Grocers Association and the United States Wholesale Grocers Association. The reason I took the bill of the United States Wholesale Grocers Association was because the lawyer who drew that bill, I believed, was the best informed on the subject. His name is H. B. Teagarden. He was for 6 years assistant to the Attorney General of the United States. He had charge of all antitrust matters. He represented the Government when the packers' consent-decree cases were disposed of, and he knew more about these matters than anyone to my knowledge, and for that reason I was glad to have him work with me on the bill.

We didn't take his bill in its entirety. We made changes. I consulted with the Attorney General, with the Federal Trade Commission, with other people that were interested. We drew the very best bill we could.

I introduced the bill in the House. My good friend Senator Joseph T. Robinson introduced it in the Senate.

Senator Robinson not only introduced the bill but was enthusiastically for it. He succeeded in getting it passed in the Senate very quickly. We were afraid there would be a filibuster there, so we just asked him to get any kind of bill he could get through and we would try to pass the bill we wanted in the House. In that way the bill was started.

This law is far reaching. It is confusing to some, but to people who want to carry out its purposes and intent I don't think it is so confusing. I know that certain problems will come up that will give you trouble. It is that way when any general law is passed. You can't write rules and regulations into law. You must write a general law and then you must fit every particular situation to that law.

If you were to start out in an automobile from New York City to San Francisco, you would pass through cities and States and other jurisdictions having possibly 15,000 different laws. You wouldn't be disturbed on that account. You would not be afraid of being arrested, because you would know you were going to do what was right. I feel that the one who honestly and conscientiously wants to carry out this law in sympathy with its purposes and provisions, I don't think that person is going to have any trouble adjusting his business to this law in a way that he will not be afraid of being brought before the court for any violation whatsoever.

In 1890 the Sherman law was passed, which was rendered ineffective.

In 1914 the Clayton Act was passed. Some say it is full of loopholes and technicalities. Some say it has been ineffective and it hasn't helped business like it should and was intended. That is true.

This Robinson-Patman bill, however, is an amendment to the Clayton Act. Some lawyers say it is unconstitutional. That is said about any law. I would like to have you name some law that hasn't been called unconstitutional. That is usually urged against any law.

The Interstate Commerce Act was passed more than 40 years ago. When that law was before Congress to stop chiseling on freight rates, they said it was "crackpot" legislation. There were a number who said "it is unconstitutional; it will not work." They said that about that law, and they will say it about this law. They are wrong. In the first place, the Constitution of the United States, article 1, section 8, says that Congress shall have the power to regulate commerce among the States. That is a grant of power. As you know, the Federal Constitution is a grant of power. Congress can only do what is granted. A State constitution is different. A State legislature can do anything that is not prohibited by its State constitution or Federal Constitution.

In this case we have that grant of power and Congress has exercised that power through the Clayton Act.

The Interstate Commerce Act has stood up. Not one lawyer has come before the Supreme Court of the United States and seriously contended that it is unconstitutional. It is so plainly constitutional that a lawyer could not conscientiously contend that it is not.

The Clayton Act has stood the tests of the courts for 22 years. That is just an amendment to the Clayton Act. I believe this law will stand up.

Section 26 of the Clayton Act says that if any part of the law is declared unconstitutional it will not affect the other parts. We get the benefit of section 26 of the Clayton Act in the Robinson-Patman Act.

Many people will say it will not be enforced. Let us see. The Interstate Commerce Act has been enforced.

PRINCIPAL PURPOSES OF ROBINSON-PATMAN ACT

One correspondent told me in a letter that it will take half of the people in a country to enforce the law against the other half. In this law there is an incentive for one to help enforce it. The incentive in this law is to protect your own business as you should, and in doing that you are going to use a law that grants you protection. This law has been passed because people in Congress believe that it is the duty of the Government to protect the weak against the strong. It is not for big business or against big business. It is not for chains or against chains, except if they should be guilty of practices which this law prohibits. This bill is to treat all alike, both large and small. It is not to give special price benefits or privileges to a few. It is to treat all fairly and equally, and to give equal rights, privileges, and benefits to all alike. It is not intended to subsidize small merchants. The inefficient small merchants will not be protected by this bill. It is not a shelter or an umbrella over them. The small merchant will have to succeed in the best way he can. It is not intended to give him special privileges and benefits. It is intended to give him equal rights and privileges in order that he may have the proper opportunity to succeed. We do not want to reward the small merchant. We do not want to do anything that will retard cleverness and greater efficiency. This law is not for that purpose.

WHAT WORD "COMMERCE" IN ACT MEANS

Let us take the bill itself. Most of you have copies, as quite a number has been distributed here. Take for instance, this law says it shall be unlawful for any person engaged in commerce. What does the word "commerce" mean? In another section of the Clayton Act, this being a part of the Clayton Act, this word "commerce" is defined as interstate commerce. That is only among the States. A business that is wholly within a State and whose customers, if it is a manufacturer, are wholly within that State and this manufacturer ships only to his customers, and none of it is shipped for resale out of the State, his business is not affected by this bill. However, I believe that 90 to 95 percent of the business will be affected by this law.

Take for instance the retail druggist, and this law will apply to him. There are very few wholesale establishments in America, according to my view, that are intrastate commerce and not affected by this law. Interstate commerce is the only commerce we can deal with.

UNLAWFUL TO DISCRIMINATE IN PRICE

This law says it shall be unlawful to discriminate in price between different purchases of commodities of like grade and quality. If you are a manufacturer, you can't discriminate between your customers. The word "brands," one witness before the committee insisted that we use, and like words. I opposed this. That would destroy our bill. It makes no difference what the brand is, if it is the same quality you can't discriminate. There can be no discrimination, if the quality is the same or similar, no matter what the brand is. Where such commodities are sold for use, consumption, or resale within the United States, you can't discriminate in price where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly. Substantially, this was in the old law. The next part, however, was not in the old law. It is the meat of this bill. "Or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with the customers of either of them." I don't believe you could write language that would include more.

Remember, if that discrimination injures a competitor, it is a violation of this law.

DIFFERENTIALS MAY BE GRANTED UNDER CERTAIN CONDITIONS

The act further states that nothing herein contained shall prevent differentials which make only due allowance for difference in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such

purchases sold or delivered. Down to that section you had to charge the same price regardless of quantity. Where there is a different quantity involved, provided there is a difference in the cost of manufacture, sale, or delivery, you cannot grant a differential more than that. The differences that were discovered were that certain mass buyers, not all of them, some of them, had through intimidation and common racketeering forced manufacturers to give them such a low price that it was way below cost, and these manufacturers had to charge the independents a higher price in order to make up for that loss. In that way they could not continue long.

This act is intended to prevent discrimination. There may be a difference in price only if there is a difference in the cost of manufacture, sale, or delivery.

If you are a manufacturer selling from your storeroom and a customer buys a hundred units and another buys a thousand, I presume the cost of the manufacture has been the same; in that case you couldn't discriminate. If there is a different method of sale and delivery and if you can save money, you can give him, if he is a large buyer, the benefit of the savings you have effected that way, but you cannot give him the benefit of any more.

QUANTITY LIMITS MAY BE FIXED

There is another provision in the act—that the Federal Trade Commission may, after due investigation after notice to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established. A good friend of mine in Texarkana, Tex., is responsible for this. He told me for years we should have some kind of law to adopt this policy. This provision was written by reason of his suggestion.

It comes about this way. More than 40 years ago there was a protest in this country against a few shippers getting a lower freight rate. The people didn't like that. They elected a Congress to prevent favoritism in freight rates.

A PRECEDENT FOR QUANTITY-LIMIT PROVISION

Judge Cooley, Chairman of the Interstate Commerce Commission, wrote the rule that the carload shall be the quantity limit; that whoever ships a carload shall pay the same per car as on a trainload. The large shippers came in and they wanted to get the rule changed. Judge Cooley heard them and they told him that they could ship a trainload of freight from Chicago to New York going straight through without any stops at a cost which would be about 50 percent less per car, than if they handled each car separately. Judge Cooley said, "I don't take issue with you on that. I presume it is the truth, but if we permit a trainload or a large number to be shipped for a 25-percent or 50-percent reduction, only a few would be able to get the benefit of it. Those few large ones would destroy the smaller dealers. We are not going to permit it to be done."

The Supreme Court has not reversed the decision. It is dictum I will confess, but in a number of cases the Supreme Court has expressed itself on that question and said that it is not right for a few people to be granted such low freight rates that will permit them to destroy the smaller dealers of the country. It is permissible and it is a duty upon the Federal Trade Commission that if in a certain line of business the Federal Trade Commission believes that a certain few are getting such low prices by reason of the large quantities, although there is a saving in manufacturing cost, to fix a quantity limit, as those few can by use of the great power, destroy the smaller dealers of the country and the Federal Trade Commission has a right to come in and stop it and fix a quantity limit. It depends upon the commodity, but the Federal Trade Commission will have the right to stop that definite monopolistic trend.

MAY SELECT OWN CUSTOMERS

The act further states that nothing contained herein shall prevent persons engaged in selling goods, wares, or merchandise from selecting their own customers in bona fide transactions and not in restraint of trade. That is existing law. I wouldn't deprive any manufacturer of the right to select his customers. This law doesn't deprive him of that right. It recognizes it. The law says you must treat all customers fairly and equally. You do not have a right to cheat them. You must treat them all the same. That is what this law is for.

PRICE CHANGES NOT PREVENTED

Furthermore, that nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

You have a right to change your prices, just so long as you do not use that price change to favor some customer, and for the purpose of discriminating against other customers. You can change your price every 10 minutes, but if the jury should decide that you are doing that as a subterfuge for the purpose of favoring some customer and for the purpose of discriminating against other customers, you would be guilty of violating this law.

ADVERTISING ALLOWANCES

These other sections in the act mean this: In regard to advertising allowances, this bill doesn't prevent advertising allowances; it permits advertising allowances, provided all customers are given these same allowances on proportionately equal terms; that is, a manufacturer could advertise a certain product in his own name and say "See your local dealer," or he could list the names of all local dealers. We could grant an advertising allowance to each, so long as he treated them all fairly and equally and would compel them to use the money for that purpose. Under the old rule they were not compelled to use it for that purpose. One firm collected \$6,000,000 one year for advertising and didn't use it, or we don't know, as there is no way to check. There was no accounting required. They could use it for profits. Under this law, if an advertising allowance is granted, it must be used for that purpose and every customer must be treated fairly and equally.

BROKERAGE CANNOT BE USED AS A BRIBE

It was discovered in this investigation that brokerage was often used as a bribe to bribe the other party to the transaction. That is not decent business. It is not fair business. It is not right. This Robinson-Patman Act will prevent that.

The "co-ops" cannot be the buyers and receive brokerage, too, and they are denied the brokerage under this law. At the same time the other benefits that they receive, I believe, are more than sufficient to offset their losses by reason of the loss of brokerage under this law.

BUYER GUILTY AS THE SELLER

Another provision of this law—and it is a very important one—that it shall be unlawful for any person engaged in commerce knowingly to induce or receive a discrimination in price which is prohibited by this section. That is to make the buyer guilty and place some responsibility upon him. He is just as guilty as a seller, and this law can be used against him, just as it can be used against a seller. Why should one want some special benefit over his competitor anyway? Why shouldn't he be satisfied with an even break? By his cleverness he will get ahead. What better vehicle for success do you need but that no one should induce anyone else to break the law and discriminate against his neighbor, who is his competitor across the street?

BORAH-VAN NUYS SECTION OF ROBINSON-PATMAN ACT

Section 3 of the law is what is known as the Borah-Van Nuys section.

When this bill was in the Senate a motion was made to substitute it for the Robinson-Patman law. It failed but was accepted as an amendment. When the bill came to the House an effort was made there to substitute it for our bill. We successfully resisted the effort. The Robinson-Patman bill passed the House by an overwhelming vote, 290 for and only 16 against it. There was only one "no" heard in the Senate. It shows we must have the right side. We must have the side of justice and right or we would never have obtained such a large majority in both Houses in favor of this legislation.

The Borah-Van Nuys provision was not substituted but was inserted by the conferees as another section. It doesn't add anything to our bill particularly. It is certainly harmless from the Robinson-Patman bill standpoint. It doesn't add to it or detract from it. So, rather than have the bill defeated, we were very glad to accept it; and I don't know but what it will be very helpful. Let me tell you about it. It is not a part of the antitrust law. Section 3 is the criminal provision. It says one who violates this section may be fined up to \$5,000 or may be imprisoned for a year. Therefore, it is necessary that we give some thought to this section. It means that a violator may be indicted by his local grand jury; it means that he could have all kinds of trouble if he doesn't comply with this section. It says, first, "It shall be unlawful for any person engaged in commerce in the course of such commerce to become a party to or assist in any transaction of sale or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount, rebate, allowance, or advertising service charge available at the time of such transaction to said competitors in respect to the sale of goods of like grade, quality, and quantity." Second, "to sell or contract to sell goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States, for the purpose of destroying competition or eliminating a competitor in such part of the United States."

Of course, most retailers are not governed by this Interstate Commerce Act. The Congress cannot pass a law that will exactly cover most retailers, because that usually involves a sale purely intrastate. This will apply to concerns that are operating in more than one State. Those concerns can't go into your community, establish a store, and reduce their prices under their prices elsewhere for the purpose of destroying a competitor and eliminating a competitor. If he does, and is selling goods at lower prices than elsewhere in the United States, he is guilty of a crime, for which he may be punished by either imprisonment for a year or a fine up to \$5,000. Third, "or to sell or contract to sell goods at unusually low prices for the purpose of destroying competition or eliminating a competitor."

DOES NOT HELP OR HARM "CO-OPS"

Section 4 says, "Nothing in this act shall prevent a cooperative association from returning to its members, producers, or consumers

the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association." Many people are confused on that point. They think that is granting something to the "co-ops." That is not true. They are left just like they were. It is not taking from or giving to them. It is merely saying that they have a right to distribute their earnings. It means that they are affected by the law just like all other business institutions, and any earnings legally acquired they may distribute under this law. It leaves them where they were. It doesn't help them or harm them insofar as the "co-ops" are concerned.

HOW LAW MAY BE ENFORCED

It will be asked, How will you enforce this law? In the first place the United States district attorney may ask that a person be indicted before the grand jury, or the United States district attorney may ask for an injunction before the United States district judge. If that injunction is granted and the injunction is violated, the violator may be punished by imprisonment or fine, or both. If any order is granted either by the Federal Trade Commission or an injunction, these orders may be used in evidence by a private party who has been wronged in his suit against the person who has discriminated against him. So it is necessary that some consideration and thought be given to that section. Not only can you enforce the law in the manner I have indicated but a private person or corporation or firm may employ a lawyer and go into court and ask for an injunction, and if that injunction is granted the offender may be punished. Such a person may employ a lawyer and go into court and show where he has been discriminated against and prove damages; and if the damages amount to \$10,000, the law is that the judge in entering the judgment must give him three times that much or \$30,000 and give him attorneys' fees and costs of suit.

There are plenty of teeth in this law to provide for its enforcement, which I hope will not be necessary to apply. I hope that business will accept it and recognize that it is a good law and, recognizing it, will do their very best to see that it is enforced. I believe the manufacturers should be for it. It is helpful to them.

MANY MANUFACTURERS FAVORED IT

One manufacturer representative came to see me when the bill was pending. I asked him if he favored the bill. He said, "Personally I would like to see that bill become a law, but I am going to say that it will be a bad law for the purposes of newspapers. The reason is that the manufacturers I represent have such close contact with mass buyers. Our manufacturers cannot be in a position of antagonizing those large mass buyers, and I am representing them, and I am going to have to say it will be a bad law; but, personally, I would like to see the law passed, and I believe they would, too."

After this bill had become a law most manufacturers agreed that it is a good law. Not so many helped in the passing of it. In Washington we do not always know who is supporting or opposing a bill out in the States.

WILL HELP RETAILERS

Let me show you how this act will help the retailers. The retailer will be getting a fair deal. That is all he is entitled to. All businessmen want in this country is an equal opportunity in business. We do not want anyone to have an unfair advantage over us, and we certainly don't want to seek an unfair advantage over anyone.

I have four boys I am trying to rear and educate, and those four boys, all they are entitled to is a fair, square deal—just an equal opportunity, that is all I want them to have. If they fail then, I will be sorry they failed, but I cannot blame anyone. I would certainly rather see them fail in business than to see them succeed by unfair and dishonest methods. That broad road of opportunity should be open to them. Then they would have the same chance as your boys and other boys. I believe we should have business that way. I believe that it is the time when the American businessman should say to himself that he is willing to cooperate and work shoulder to shoulder with other competitors, sellers, and manufacturers, to the end that this cheating, chiseling, and underhanded methods will be forever stopped in this country.

LAW IN INTEREST OF PEOPLE

Mr. John Dargavel is the executive secretary of the National Association of Retail Druggists. The National Association of Retail Druggists was very effective in supporting this law, without discounting the efforts and the services of other organizations.

After this law was passed John Dargavel, the executive secretary, said: "Enemies of the act say it is weak. Let them prove it. They say it is full of loopholes. Let them try to get through. Perhaps their necks will be in a noose rather than a loophole."

I think that all dealers should willingly and gladly carry out the purposes and intent of this law, which is not only for the manufacturer and the retailer and other distributors, but in the interests of the public, the American people.

NO CHANGE IN ACT EXPECTED

This victory we have gained, I consider is a great victory. Never before have independent merchants received so much in the form of national law for their benefit. That is my opinion. It is my opinion further that no serious effort will be made at the next session of Congress to change this bill substantially in any respect. If there is an effort made in the direction of weakening the bill, I

want to tell you now that such effort will fail. It is not going to succeed. If there is any change made in this law I believe it will be made to strengthen it, if anything, and not to weaken it.

ONLY FAIR AND HONEST PROFITS SHOULD BE DESIRED

The independent merchants have at least gained the goodwill of the American people. The people have recognized honesty and fairness in business and the people engaged in business should want only to make a fair, honest profit and not engage in chiseling and cheating.

FARMERS MUST BE HELPED

I live in the Southland where they produce cotton. Some people who do not reside in the South are wondering "what difference does it make to me whether the farmers get 5 cents or 20 cents a pound for cotton." There is a new school of thought in the minds of the American people. That new school of thought is constructive. It is going to help build this country and help prevent its destruction, and that thought is that we are our brother's keeper—just as old as the Bible but it is a new thought as far as business and the public generally are concerned. That new school of thought is that we must live and let live. We must recognize the right of other classes and groups to make an honest living.

Thirty million people are dependent upon farming for their living. If they get good prices for their production, they can buy what you manufacture here, and if they can buy, your factory wheels will continue to turn and your wage earners will continue to get good wages.

In 1932 I was in Lynn, Mass. I told those people—you are walking the streets, you are in the bread lines, your shoe factories are closed. You ask why can't you go back to work. Because the people who need shoes don't have buying power. You must help the farmers all over the Nation to get a good price for their products. When they can buy shoes, you will be called back to work, you will get good wages, and you can buy what they produce. It has resulted that way.

Thirty-six million people are wage earners. If those people get good wages, they can buy what the farmers produce. They can buy the services of the 9,000,000 people dependent upon the professions for their living. They can patronize the 11,000,000 dependent upon transportation and communication for a livelihood. One can help the other.

We want to keep that good constructive thought in the minds of the American people.

IS THE CONSUMER ENTITLED TO THE LOWEST POSSIBLE PRICE?

I know that many people make the statement that the consumer is entitled to the lowest possible price. If you carry that statement without qualification to its logical end, it will destroy this country. Do you know the lowest price the consumer is entitled to? It is a price that will give the producer a fair price for what is produced. The man who produced the raw materials is entitled to a fair price.

Thirty-six million people are dependent upon wage earning for a living, including their families. That wage earner is entitled to a fair wage, and if the consumer forces a price that will destroy that wage earner's buying power, he is destroying himself. Furthermore, that consumer should be glad to pay a price that will not only give the farmers or the producer a fair price and the wage earner a fair wage, but a fair profit to those who transport and distribute that produce. They are also entitled to a fair profit. We must adopt that policy of live and let live in this country. We must continue to recognize that fact or we cannot have prosperity. We must all be prosperous together or there will be no prosperity.

The American people are willing for people engaged in distribution to make a fair profit for the service they are rendering. The American people do not object to that. Any policy that will destroy buying power is destructive.

ANSWERS TO QUESTIONS NOT OFFICIAL

Now, then, I have been requested to answer some questions regarding this bill. I want you to understand that the answers I give are not official. I want you to know that I have no right to interpret this law. That is for the courts and the Federal Trade Commission. I can tell you my opinion with the understanding that those who construe laws have different opinions. Sometimes the judges have a divided court. That has happened in the Supreme Court many times in recent months. I will just give you my opinion. I suggest that you do not rely upon it, however. You take the facts to your own particular lawyer, but I can tell you what I believe should be done in view of what we had in mind when the law was passed.

QUESTIONS AND ANSWERS

Q. Will the bill raise retail prices? How will it affect the consumers?

I believe it will have a tendency to lower prices and stabilize prices.

We know prices are going up. You can't have inflation of money and credit without having increased prices. This law will not cause it.

Q. Will it prevent the larger buyer from buying more?

It will prevent the large buyer from getting the benefit of any saving except where it is justified and he can show that it is justified by reason of the difference in cost of manufacture, sale, or delivery, one or all of those three.

Q. Will it curtail or does it prevent advertising?

It will not retard or curtail advertising, but it will force one who gives advertising allowances to treat all customers the same—to give them proportionately equal terms. The seller has the right to select his customers and when selected he is charged with the duty under this law to treat them all fairly and equally.

Q. Does the law discourage quantity buying?

I doubt if there will be the inducement in every case to buy in large quantities as there was before, because the difference in price will only be the difference in cost of manufacture, delivery, or sale.

Q. Is a merchant who accepts an allowance liable under the terms of this bill?

Yes; I have answered that before.

Q. Will the benefits be equally beneficial to the merchants and to the public?

Yes.

Q. Do you believe that some will test the legality in the United States Supreme Court, and what do you think the United States Supreme Court will decide?

I believe that the Court will sustain the law, because it has never held unconstitutional the Interstate Commerce Act. It is so plainly constitutional. The Clayton Act has stood the test for 22 years and this is just an amendment to the Clayton Act. I believe this law will be held constitutional. If for any reason a part should be held unconstitutional, it will not affect the other parts of the law.

Q. How are free goods given for the purchase of specified quantities or deals?

Free goods is just another way of giving a lower price. If you use free goods, you must give free goods proportionately to all customers alike.

Q. Is an extension of time for a price discount a violation of this law?

If the retailer does not pay his bill in the 10 days specified and if it is extended over such period of time that it grants to the customer a special price or special privilege which would or could be measured in dollars and cents, and would result in giving to him a discrimination by reason of that extension of time, I think it would be a violation. Obviously a few days' time is not going to make any difference as the courts will use common sense in administering the law, and the courts and the Federal Trade Commission are not going to deal in petty trivial matters and a few days failure to pay I don't believe would be sufficient to be construed as a difference in price.

Q. Are temporary deals, generally offered to the trade, permissible and if so must customers be notified and if one is accidentally left out, will that be considered a violation?

You have a right to change prices any time you want to so long as you do not discriminate against your other customers and if you are announcing a sale and you announce it to all your customers, they have a right to get the benefits of it. If one is accidentally left out I don't believe it would be considered seriously unless there was some evidence to show that you intended to deprive him of that opportunity. If he could show that you were using that price change to discriminate, it may be a basis for a damage claim.

Q. Where one purchaser takes multiple and the other single warehouse delivery, with considerable saving in trucking, may the purchaser receive a lower price? May that saving be expressed in a price difference?

I have answered that previously. If there is a difference in cost of manufacture, sale, or delivery, yes, and there would seem to be in this case.

Q. Customer No. 1 orders from hand to mouth, compelling the manufacturer to fill his orders, while customer No. 2 orders in advance, permitting the manufacturer the use of season labor, etc., may the manufacturer grant customer No. 2 a lower price, or will the manufacturer be compelled to give both the same price?

The manufacturer may grant prices representing the saving as between the customers.

Q. A merchant sells through different methods. Across the counter, mail order, etc. May he make a differential in price?

Yes, only however, if there is a difference in the cost of manufacturing, sale, or delivery.

Q. If a customer buying a certain quantity is entitled to a demonstrator, how would his competitor buying half that quantity be compensated, as a demonstrator cannot be divided?

He could be allowed the demonstrator for half the period. If the period was 30 days, he would be entitled to the demonstrator for 15 days. You can work it out some way on some fair and reasonable basis, so as not to create a discrimination. I feel sure that can be done.

Q. Suppose a manufacturer offers a dollar a month to every druggist who will place a sign on the side of his truck and some of his customers have a cash and carry business and don't have these trucks, would that be a discrimination?

No; it will not be a discrimination. Window displays are the same way. Some provision must be made whereby all will receive proportionately equal terms.

On March 4, 1936, we had what was known as the Independence Day Meeting for independent merchants in Washington. That was a most effective meeting. At that meeting 3,000 independents from all over the country were there. We explained this Robinson-Patman law. These men were diplomatic men. They understood it. They used the right methods. They did not try to intimidate or coerce any Member of Congress to vote for it. If you are armed with a just cause, you do not have to intimidate. You can tell the truth. All you have to do is get the truth to the people. These

representatives sold this bill to Members of Congress—both Houses. They helped to sell it all over the Nation.

This bill did not receive much publicity in the papers. That is why these clairvoyants and fortunetellers in Washington said the bill was going to be defeated. They were taking the newspapers' word for it. We used radio and other methods of distributing information and we sold this cause to the people.

This is a good law and I hope it will be generally observed.

TYPE OF QUESTIONS ASKED

The questions asked at each place involved the following provisions of the Robinson-Patman Act:

The purpose of the act.
When price discriminations are lawful.
Forms of price discrimination.
What are costs?
Price discrimination to meet competition.
Rebuttal of a prima facie case.
Who are in competition?
Cash discounts and terms of sale.
Advertising.
Other forms of promotional allowances.
Brokerage allowances.
Transportation charges.
Free goods and special deals.
Premiums and consumer give-aways.
Consignment of goods.
Proportionally equal terms.
Exemptions as to perishables, obsolescence, etc.
Selections of customers.
Wholesalers and functional discount.
Cooperatives and pool buying and selling.
Application of the act to Government bids.
Import and export sales.
Contracts made prior to the act.
Constitutionality.
Interstate and intrastate commerce.
Means of enforcement and recourse in event of injury.
Federal Trade Commission's authority to establish quantity limits.
The Borah-Van Nuys amendment, or so-called criminal section of the act.

At each place there were some 10 to 25 questions, depending upon the time consumed and other circumstances.

Mr. ALLEN of Illinois. Will the gentleman yield?

Mr. PATMAN. I would not like to yield just yet, as I have my time divided, but I will yield to any Member before I finish.

Mr. Speaker, this concern, McKesson & Robbins, was 103 years old. The people locally associated with the McKesson Co. with whom I came in contact were the highest-type businessmen. They were highly respected leaders in the communities in which they lived. I did not know the officials at the home office, because I had no contact with them. I had no occasion to have any contact with them.

WHO ATTENDED MEETINGS

Locally, wherever they sponsored a meeting, they would almost invariably have present at the meeting the local Member of Congress. The mayor of the city or his representative and other outstanding local people were usually there, and at every meeting that I addressed on that tour there was one or more Members of this House or Members of the United States Senate present. At practically every such meeting I was introduced by a Member of this House or of the United States Senate. They know what I spoke about and they know every question that was asked. Many of them are here now. No person can even suggest or intimate that there was anything unethical or wrong in regard to making these speeches about a law that had already been passed.

At these meetings we had present the independent merchants, the purchasing agents, salesmen, accountants, executives, and attorneys and in many cases representatives of chain stores, because they were greatly interested in finding out what this law was about.

Mr. Speaker, I did not have occasion to meet the president of that concern in 1936, and the speaking tour was finished in 1936. If he ever attended one of those meetings, I did not know it. In 1937, after this national tour was over, he came to my office to meet me, just like lots of men have. I had never met him before or received any communication from him prior to that time, and I have never at any time, before or since, had any business or transactions with him.

or his company, directly or indirectly. Some of the biggest business executives in this Nation have come to my office, and I am glad to see them. I am not going to their office. I am not going into any lobbying headquarters, if they have any; but any time a Mr. Morgan, or a Mr. Mellon, or any other person wants to see me, if he is a man I think has information I should have, I am glad to get that information if he comes to my office. This man came by to see me; no business, just to meet me, he said. That was in 1937, after the tour was over. This was on Inauguration Day and he said he was on his way to a meeting of business executives, who were called to Washington to get up recommendations to be presented to the President of the United States.

Later, he mailed me a copy of a plan which he had for the Reconstruction Finance Corporation to make loans to small business—not an application for a loan for himself or his company. He requested that I arrange for him to meet my fellow Texan, Mr. Jesse Jones, to present the plan, which I, as a matter of courtesy, was glad to do. Any other Member interested in the small-business man would have done the same thing for him or any other recognized leader in business under the same circumstances.

SMEAR CAMPAIGN

After all this business came out about the head of McKesson & Robbins turning out like he did, of course if these interstate chain stores could in some way smear me and try to weaken my influence with the people and Congress, they would certainly take advantage of the opportunity to do that, and I know it. I have been in these fights before. For 10 years I have been in just such fights. I can tell you of a period when many times when I went to the office in the morning the files in my locked cases had been taken out, examined, and left on the floor. My safe had been opened the same as I could open it myself. My telephone wires were tapped both at home and at my office. Detectives were standing at the end of the corridor in which my office was located. They would interrogate people who went in and came out of my office. I have gone through these things before, and I know what it is. If you come out courageously against any big special interest with power and influence, as well as unlimited funds, you might just as well expect to go through what I have gone through for 10 years.

DISCLOSURES OF CONGRESSIONAL INVESTIGATING COMMITTEE

When I was chairman of a congressional committee in 1935 and 1936 investigating large-scale buying and selling, I discovered from testimony that among the things many of the people who are now opposing me in this fight were guilty of are the following:

- (1) Conspiracy to obtain control of retail distribution in America.
- (2) Stopped the showing of a picture, *Forward America*, which was favorable to independent business.
- (3) Attempted through influence to have our committee appoint as our principal investigator a man who, it was later discovered, was employed by chain-store interests under investigation.
- (4) Organized what they called a "cornstalk brigade," which was composed of key farm leaders whom they paid to go before legislatures and pose as farmers' representatives for the purpose of defeating certain legislation.
- (5) Employed influential men in each State who were close to members of the legislature and the Governor and who could stop legislation they were opposed to.
- (6) They admitted that their attorneys were instructed if they could not succeed in defeating a bill in a State legislature to get some amendment adopted which sounded good, but would cause the law to be declared unconstitutional if passed.
- (7) Employed influential people on contingent basis to defeat legislation. That is, if the bill did not pass a certain session, they received a certain large amount of money. If it did pass they did not receive anything.
- (8) Faked consumer groups were organized to deceive the people, and at some meetings held by certain groups every person attending was on the pay roll of the interstate corporate chains.

(9) Schools were held to teach their representatives how to deceive the people.

(10) They had unlimited funds, which were used for bribery, deceit, trickery, and treachery.

(11) They brought pressure to bear on newspapers that carried their advertising to print nothing about independent business, but boost absentee-owned business.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. MAY. If the gentleman will permit me preliminary to my question, may I make the statement that so far as I am concerned I have never doubted, I do not doubt now, and I never will doubt the good faith and the good intentions of the gentleman from Texas in his lecture tours in which he tried to give the public direct information as to the effect of a new statute that had been enacted into law. There are just two matters that the gentleman has raised about which I would like to have information, because my mind is open on this subject.

The first is a preliminary statement with respect to the power of Congress to use the taxing power for desirable purposes. It is my understanding that the constitutional purpose of a tax measure is to raise revenue. That is the idea that I had in mind, and I want the gentleman's views as to whether or not that is the prerogative of the taxing power of Congress.

Mr. PATMAN. It has been used for many other purposes.

Mr. MAY. I imagine the gentleman has in mind the question of monopolies and the destruction of unfair competition?

Mr. PATMAN. That is right.

Mr. MAY. Those are two of the things that may be effected by legislation of this type.

Mr. PATMAN. The gentleman is correct.

Mr. MAY. May I ask one other question, and then I shall be through? Has the gentleman any facts or figures relating to how this measure may affect the consumers of groceries, in view of the fact that taxes always go into the cost of production?

Mr. PATMAN. Yes; I have figures on that question and I expect to place them in the *RECORD*. I doubt that I shall have time to discuss them as I should like to because, of course, questions do take up time and my time is limited. Too, I must yield to every Member who wants to ask me a question. I asked for this time and obtained it nearly a week ago so Members would know in advance and be prepared to ask me any question they desired. However, I am very glad the gentleman brought up this point. I assure the gentleman I shall cover the matter in my extension of remarks or some subsequent speech if I do not cover it in this speech.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. In 2 or 3 minutes. I have my time divided and I will be ready to yield in that time.

It was said by my opponents concerning this lecture tour, "There is that man PATMAN out making a speech for a chain-store tax bill on the pay roll of a concern which will be helped by such tax bill if passed." The gentleman's paper over in Chicago carried that statement. Was that true? There was not a word of truth in it. The chain-store tax bill was not even introduced until 2 years later, or in 1933, so there was not a word of truth in it and no private concern at any time paid me to make a speech of any kind.

Another newspaper stated, "Why, he was out making speeches for the Miller-Tydings bill, a price-fixing bill." There was not a word of truth in that. I may say that bill is regarded as an enabling act and not a price-fixing bill. Do not be swept off your feet about this argument regarding the Miller-Tydings bill. The law Congress passed is all right. You need not be afraid of that law. I was not out making speeches for it, however.

COSTER OPPOSED CHAIN TAX BILL

It has been discovered that Coster-Musica, the head of McKesson & Robbins, not only was not favorable to the anti-chain store tax bill that I introduced in 1938, but he actually

contributed money to organizations that were opposing it; so where does that argument that I was campaigning for a bill in 1936 or 1938 to help Coster come from? There is absolutely nothing to it, nothing in the world; but it shows the extent to which people will go to try to weaken or destroy you if you fight certain interests in this country.

Now I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I am not addressing my remarks to the economic principles of the gentleman's bill, because I know nothing about them. I do not know whether it is a good or a bad bill, because I have not studied it thoroughly. I am addressing myself to the principle of whether or not anyone who introduces and sponsors legislation should receive financial remuneration for working for and in behalf of that bill. A great metropolitan paper in Chicago carried the statement that the gentleman received \$18,000 in 1 year for going forth with this bill and that the gentleman received a \$4,000 automobile. This paper contended that McKesson & Robbins paid for a full page ad in a retail drug publication announcing a series of speeches by the gentleman. What I should like to know is whether or not the gentleman did receive financial remuneration and what the reason is for the activity of McKesson & Robbins in the gentleman's behalf in order to put this information before the people of the country. I believe the Members of the House are entitled to know that.

Mr. PATMAN. Of course, the gentleman knows I expected to cover that question, as I had told the gentleman in private conversation. However, I do not object to its being asked at this time. I had just as well break the sequence of my speech and answer it now.

Let us refer to the speakers' bureau. I have here two brochures showing the speakers in that bureau. You find in both these brochures pictures and statements concerning the most prominent men in this Nation. They are people who have been speaking under the auspices of this speakers' bureau for more than a quarter of a century. This speakers' bureau is a reputable and dependable one, so there cannot be anything said about it. My dealings with Mr. Thomas Brady were entirely satisfactory in every way.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. In just a minute. The gentleman from Illinois has brought up some questions I want to answer now before I forget all of them.

Mr. COLMER. If the gentleman will permit, I believe it would be enlightening to the membership—and the gentleman should do it in fairness to himself—since it is a matter of record, to state who some of these gentlemen are.

Mr. PATMAN. There are included some of my own colleagues in this body, at least a large percent of the ones who are in demand as speakers. It also includes a large percent of the Members of the United States Senate who are in demand as speakers. It is not a disgrace, it is an honor to be called upon to make such speeches. Suppose you were advocating a particular plan for the benefit of the people and were invited to go to Chicago to make a speech, you would have a large audience of probably thousands of people, and more would hear you over the radio; you would get something in the newspapers about any plan you were proposing. It is news. You get your message over to the people. Oftentimes that is the only way you can get your message over to the people. It is a means of communication. Otherwise nothing would be said about that bill you placed in the hopper.

The gentleman from Illinois has asked questions about certain statements. The gentleman does not charge the statements are true because he does not know. He knows they are rumors put out by my opponents. The reason I say that is because I know they are not true. No speaker makes money-making speeches. I have heard it said that a number of Members make more money through making speeches than they do as Members of the Senate or the House. I do not believe that is true. If you are active as a leader in a national movement you will spend more than you get for speech-making any time in the year. You can-

not be in a national movement and not spend everything you make. I have made no profit out of it and neither has any other Member of this House. You become enthusiastic and eager to get your views across to the people about questions in which you are interested, and you spend everything you can to disseminate that information in every way you can. Your compensation comes from the knowledge that you are rendering a public service and receive recognition for it. I have not made, and neither has any other speaker, any \$18,000 a year. It is a ridiculous sum. It is so ridiculous I do not believe even a member of the President's Cabinet or of any Cabinets in the past—and Cabinet members have in the past been sent out by the same speakers' bureau—has made any such sum of money. During the last decade men in public life much higher than Cabinet members have spoken under the auspices of this same speakers' bureau.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. In just a minute.

I know that when this question came up these chains were so interested in getting something on me—they heard I had a new car that I bought last fall, and they said, "Oh, it is bound to be a \$4,000 car"—and they sent a man in an airplane from New York to Texarkana, my home town, and snooped around there inquiring into my business. They went to the banks and to the finance companies, and what did they find about this \$4,000-car story? They found that I had bought three new automobiles since I have been a Congressman, for 10 long years—cars in the low-priced class—and I paid for each one of them on the installment plan just like a lot of other people are doing in this Nation today, and they found that this car that I bought last fall was not a \$4,000 car or a \$2,000 car, but it was a car made by a prominent automobile manufacturer in America who has four letters in his name, and I am paying for it on the installment plan just like many other people, and no one has ever given me any car or any part of a car. That is just a sample of the untruthful statements that are made by unfair opponents.

They went into the insurance companies to inquire about policies I had taken or investments I might have made and everything of that sort. These people, my opponents, can get into anybody's office in America, I believe. They have plenty of money, and money can hire and buy brains and influence. I had nothing to hide, and I did not mind this. They checked me up. I am glad that they did. What did they find? My assets, which are very small, have not increased in 10 years, and my debts, although I never had a past-due debt 1 day in my life that I did not make satisfactory arrangements to extend, they found I owe practically the same amount of money as I owed when I came to Congress more than 10 years ago. That is what these snoopers found out when they went into my business.

All I know about the page ad referred to by the gentleman is that I read in the newspaper after this matter came up that such an ad was carried. I looked it up and discovered that an ad did appear stating that I was going to make some speeches concerning the Robinson-Patman Act—the President signed the bill and it became a law June 19, 1936, and the date of the ad was November 23, 1936—and the first words in the advertisement gave as the object of the address the following:

To consolidate the sentiment of the retailers, manufacturers, and businessmen generally behind the Robinson-Patman law for the elimination of discrimination between consumers and for the establishment of fair price in business.

The ad further discloses that I commended the McKesson Co., as I commended other firms, although it is not mentioned in the ad, for courageously coming out in favor of the observance and enforcement of the law and not try to find loopholes in it, in view of the fact that the law required them to immediately revise their schedules in a way that the smaller dealers of the country would receive prices three-quarters of a million dollars less each year from that company than they had been receiving before the Robinson-Patman Act passed.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield? Mr. PATMAN. I yield to the gentleman.

Mr. O'CONNOR. I realize that the gentleman is a great speaker and is well informed. The question that occurs to me and the important question is whether or not your being engaged to make this tour, speaking in behalf of or against any bill in this House, had anything to do with the fact you are a Member of Congress. In other words, were you selected to do this work, in your opinion, and I know the gentleman is well informed, and can inform us whether or not his selection to do this work was connected in any wise with his being a Member of Congress.

Mr. PATMAN. I presume the gentleman means law instead of pending bill. I do not know for sure that it was, because I think a Federal Trade Commissioner would have been in greater demand than I was because a member of the Federal Trade Commission naturally would have a lot more to do with this question. However, I was a sponsor of the act and knew something about it.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. PATMAN. I would be glad to yield to the gentleman.

Mr. COX. I am glad that the gentleman has found it agreeable to concede the point that in all probability the fact he was the author of the bill and was acquainted with all of its provisions and was tremendously interested—

Mr. PATMAN. That is right.

Mr. COX. That this was the consideration that prompted this agency in soliciting his services.

Mr. PATMAN. Mr. Speaker, may I have 15 additional minutes? I see my time is slipping away from me in this period I had allotted for questions and I want to yield to everyone who wants to ask me a question.

The SPEAKER pro tempore (Mr. DINGELL). Is it agreeable to the gentleman from Georgia [Mr. Cox] for the Chair to submit that request?

Mr. COX. Mr. Speaker, the gentleman is discussing a question that is of great importance to him and of interest to his friends. I think he is entitled to make the statement and that he ought to make it, and to accommodate his needs I very gladly yield the time which has been allotted to me.

Mr. PATMAN. No; do not yield the time, but just let me have 15 minutes additional.

Mr. COX. I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. PATMAN] to proceed for 15 additional minutes?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield for another question?

Mr. PATMAN. Let me answer the gentleman's first question.

Mr. O'CONNOR. This one is coupled with the other question. Another thing that interests me is this: Were all of these meetings that the Congressman addressed public meetings that anybody or any person had a right to attend?

Mr. PATMAN. Except where admission was charged. Sometimes admission was charged. Admission was not charged at any of the McKesson meetings. I had nothing to do with the collection of admissions. I had nothing to do with any local arrangements; no speaker does; but sometimes they charge admission, and I did not care and do not care now how they operated it.

Mr. O'CONNOR. Was the public generally admitted if they desired to pay an entrance fee?

Mr. PATMAN. Absolutely. Everybody was admitted. There was no secret about it. It was advertised. The speech was taken down and news reporters were always present.

Mr. O'CONNOR. One other question, and then I am through. The gentleman spoke about the farmer trade. Do not farmers ordinarily trade wherever they get the goods the cheapest, regardless of whether it is a chain store or not?

NO JUST CRITICISMS OF ONE SPEAKING FOR LAW OBSERVANCE AND ENFORCEMENT

Mr. PATMAN. Yes; I think so. Now, let me finish this statement, if you do not mind. I shall put this speech I refer to in the RECORD; and if you want the speech at any

place where I spoke, I think I can get it and put it in the RECORD, at least I will try, although in some cases I will have to contact local reporting services. You will find I was talking of observance and enforcement of a law, and I never heard anybody criticized for talking for law enforcement before in my life.

CHAIN-STORE SPEAKERS NOT CRITICIZED

I know there are people who are sent out by this same speakers' bureau that speak for the chain stores and they have not been criticized. Why would they criticize only those who happened to turn out a couple of years later against the chain stores?

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ALLEN of Illinois. I asked the question whether the gentleman had received \$18,000.

Mr. PATMAN. The answer is "no."

Mr. ALLEN of Illinois. The gentleman answered he did not make \$18,000.

Mr. PATMAN. I say it was so ridiculous it did not even need replying to, but the answer is "no."

Mr. ALLEN of Illinois. Can the gentleman tell me about the interest or the activity of McKesson & Robbins?

Mr. PATMAN. I can tell the gentleman what I believe. This Robinson-Patman law made the manufacturers and wholesalers give the smaller dealers a better price, and under the Robinson-Patman law the McKesson & Robbins Co. came out with an announcement and said, "We are going to observe this law, we hope our competitors do it, and here is our new schedule. This new schedule will give the smaller independent merchants a \$750,000 price-saving each year, and we want this schedule to be carried out. If our competitors do not contest the law, and will observe it as we are, there will be no trouble, so let us all get in together, let us observe the law, and if it is not observed, it should be enforced."

The two tin-can companies the next year reported that they had lost two and a half million dollars each the preceding 6 months because they were compelled to give the smaller can dealers a better price under the Robinson-Patman Law.

EXAMPLES OF WHAT HAPPENED UNDER ROBINSON-PATMAN ACT

Before the law was effective, June 19, 1936, the Aluminum Co. of America had been selling aluminum powder for \$1 a pound up to 3,000 pounds to the smaller dealers. This powder is used to make aluminum paint to paint water tanks, and for other purposes. The large dealers could obtain the same powder for 50 cents a pound. You know that small concerns cannot compete in a case of that kind. Why should that concern charge \$1 a pound for 2,500 pounds, but if a dealer is big enough to take 3,000 pounds he is charged 50 cents? That schedule of prices could not be justified. It was so fixed that a certain few would get the benefit of the low price.

Under this law the schedule of prices had to be changed so that the little man would get a somewhat lower price and nearer the 50-cent price.

Another situation was in connection with copper piping. To the ordinary dealer it sold for 49 cents a pound. To large buyers that same piping sold for 20 cents a pound. That did not mean they could afford to sell it at that price. It means possibly they wanted to accommodate particular concerns. But it was not justified. It was a price away below cost, and when they sold it for that price they had to make all the independent dealers, who were unorganized and knew nothing about it, come in and pay the 49-cent price in order to make a profit. But they were destroying competition all the time and the public would eventually pay, and pay dearly, the price monopoly usually exacts.

Let us take the chocolate-candy companies. They had been granting undue concessions. This condition has been adjusted.

Therefore, every concern in America that was observing this law that had biting teeth in it was vitally interested in other concerns observing it, and especially their competi-

tors, and they wanted someone who knew something about the law to impress upon businessmen that if the law is not observed, it could be enforced by a criminal penalty and by a fine, and by triple damages. Certainly there was a reason, a selfish one, doubtless, that they wanted the people to know about this law, and all other big concerns in the same way.

FEDERAL TRADE COMMISSION DOES NOT HAVE SUFFICIENT POWER

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield? Mr. PATMAN. Yes.

Mr. DOUGHTON. My recollection is that when the Federal Trade Commission was created, one of its chief duties was to see to it that big business did not impose on or put out of business improperly small business. Could the gentleman inform the House as to the activity and success of the Federal Trade Commission in this respect?

Mr. PATMAN. Yes. Over a period of time they were not doing so much, but since 1933 they have been doing real good work, and I say to my good friend from North Carolina that he cannot read their reports and their recommendations without discovering that the day of independent business is gone and the farmers ruined, if something is not done to curb the interstate chain stores. The Federal Trade Commission has brought the problem to the very steps of this Congress, and what I am saying here today and doing here today is in the direction they have been going since 1933.

Mr. CULKIN, Mr. MASSINGALE, and Mr. THORKELSON rose.

Mr. PATMAN. I hope gentlemen will permit me to go on for a few minutes so that I might get through.

Mr. THORKELSON. But I want to ask the gentleman a question.

Mr. PATMAN. Very well, I yield.

Mr. THORKELSON. Will the gentleman please state where in the Constitution power is delegated to Congress to tax one particular part of a business at the expense of another business of a similar kind?

Mr. PATMAN. I shall cover that in my extension of remarks or a subsequent speech. I do not have time to do it now. I yield to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I followed the gentleman on the Miller-Tydings bill, and the Robinson-Patman bill, and I think the bills were of great service to the independent retailers. I am informed now that the Farm Bureau Federation, the Grange, and various other organized farm bodies are in opposition to the gentleman's present bill. Will he discuss that phase of it?

Mr. PATMAN. I shall cover that not now, but in some subsequent speech. I do not think they have had all of the information. If they had the information, I do not think they would have gone against it. I doubt if they had much discussion.

MILLER-TYDINGS BILL CHANGED TO MEET PRESIDENT'S OBJECTIONS

The gentleman evidently is mistaken about following my leadership on the Miller-Tydings bill. The main fight on the principle of that bill was in the different States. In the campaign to get the law enacted in different States, I had nothing to do with it at all and was not consulted about it. I was not a leader in the movement to pass the Miller-Tydings bill, although I did vote for the enabling act that passed Congress, as I felt like it was all right and still feel that it is all right. The President of the United States criticized this measure and, in effect, vetoed it in advance. After that, however, an amendment was agreed upon and adopted along with the bill that cured the President's objections. Many people seemed to have a lot to say about the President changing his mind and why he changed his mind. I believe the truth is the bill was changed to conform with the President's views or to render the bill sufficiently unobjectionable to justify him in not vetoing it.

The Tydings-Miller bill, contrary to the propaganda that is being put out, was not a price-fixing bill. It is a congressional act that permits citizens of one State to do business with citizens of another State where the State laws are the same and permit the type of business that they desire to engage in. The prices that are fixed in any State are by reason

of the State act passed by the legislature of that State and not by reason of any congressional act.

I want now to explain how some of these things get around. I saw once in a newspaper that an agent of a certain department of the Government had indicated that Mr. PATMAN did so and so; that certain books revealed it. I was in that department one day and I stepped in to see a man who should know the truth of it if anybody should. I said to him, "Did you or somebody else in this department furnish this information as alleged?" He said, "No, as we had no right to say it." I then said, "Why did this newspaper publish such a thing?" He said, "We were on the receiving end. One newspaperman would come in and say, 'Have not you heard so and so?' and we would reply 'no,' and then he would say, 'Well, I am telling you now.' Then another newspaperman, possibly with the same paper, would call me up and ask if we had not heard it. And when it was admitted we had heard it although we had heard it from another newspaperman and there was nothing in the records about it they would go ahead and print it with the suggestion that our department had the information." I am not going to make any broadside attack on the newspapers or the radio, because I try to believe they are generally fair. I know there are exceptions, and sometimes there are enthusiastic promoters of news who will do things they should not do.

SERKOWICH & JENCKES, LEGISLATIVE CONSULTANTS

The other day you had brought around to you a long circular letter from a new firm of legislative consultants here in Washington. You know that is getting to be great business.

This firm of so-called legislative "consultants" has recently been organized and ready for business. The firm is composed of Heiman Serkowich and V. Jenckes. They are representing, I have been reliably informed, the chain-store interests, which they have a right to do. The junior member of this firm was formerly a Member of Congress. Before her term expired, the interstate chain-store interests persuaded her firm to attempt to file with the Dies Un-American Activities Committee a long statement, which had for its purpose making libelous remarks privileged, so that they could be reproduced in the newspapers without danger.

The long statement consisting of more than a dozen typewritten pages was prepared after the firm of Serkowich & Jenckes had been informed as to what was wanted in the statement.

It was delivered to the clerk of the committee, but I understand the committee refused to accept it because it shows on its face to be full of erroneous statements and that its purpose was foreign to what it was claimed.

Not content with this effort, it is my understanding that a copy of this statement, together with a letter from the junior member of the firm of Serkowich & Jenckes, was sent to each Member of Congress and to members of the press gallery, except one was not sent to me. I have secured one, however, and desire to invite your attention to the preposterous, fantastic, and untruthful statements that it contains. It was franked out by the junior member of the firm as "official business" from a former Member of Congress.

Remember this, that the statement was sworn to by the junior member of the firm Serkowich & Jenckes, and I want to point out to you how this firm of legislative "consultants" so carelessly regard their statements and how reckless they are in their remarks.

One page attached to the letter, under the heading "References and Documentation," refers to chain-store propaganda that has been disseminated over this country for the last 2 or 3 years. It is an attempt to prove a statement by a false statement.

Now, in regard to the letter itself, it is dated December 22, 1938, on the stationery of the junior member of the firm of Serkowich & Jenckes. On page 3 this statement appears:

I also wish to specifically refer to a bill introduced in the Seventy-fifth Congress placing an exorbitant tax upon the distribution of foodstuffs by an American corporation legally authorized to do a

chain-store business in the United States, and rendering a genuine service to the consumers of foodstuffs.

Representative PATMAN, of Texas, introduced this bill, which was so openly anticonsumer that both the Federal Trade Commission and the President of the United States, as well as the labor organizations, challenged it.

Remember, this statement was sworn to by the junior member of the firm of Serkowich & Jenckes. The truth is I did not introduce a bill in the Seventy-fifth Congress that was challenged by the President of the United States or by the Federal Trade Commission. The junior member of this firm is very much confused about what actually happened, or possibly it is the senior member of the firm that has the matter confused. Anyway, they must have been referring to what was known as the Miller-Tydings bill, which was challenged by the President of the United States and by the Federal Trade Commission, but I did not introduce the bill, so this statement is certainly untrue.

In the next sentence of the Serkowich & Jenckes statement this appears:

It now appears that the price-fixing drive behind it was . . .

Certainly she was not referring to any bill that I introduced in the Seventy-fifth Congress, because I did not introduce any price-fixing bill at that session or any other session.

But upon the assumption that I did introduce a price-fixing bill, this firm of legislative consultants, Serkowich & Jenckes, attempt to leave the impression that I was trying to bail out someone who had defrauded his company and stockholders. Since I did not introduce a price-fixing bill, the inference that I was trying to bail out any concern through a price-fixing bill is too farfetched for serious consideration.

Then they said in this statement that I made a national lecture tour, whooping it up for a bill that I had pending that would help a concern that was sponsoring the meetings, which was untrue, and then they said that the Robinson-Patman law would let a wholesaler get a discount, but it would not let anybody get a discount if he sold direct to the consumers, which is untrue, and in addition to that the junior member of that firm swore to these false statements. The one you got was not sworn to, but the one they attempted to file with the committee was sworn to. There was absolutely no truth in it.

The chains are spending plenty of money in this way. This junior member of the firm of Serkowich & Jenckes said that the head of this concern under discussion claimed he had \$18,000,000 of crude drugs in a warehouse in Canada, or was supposed to have, and did not have any of them. Not a dollar's worth.

She said, in effect, if this Patman bill had passed, the price of the drugs would have increased so much that he could have bailed himself out and he would not have had any loss. Is not that logic and reason that if you increase the price of something that you do not have that will cause you to be rich? That was the argument that was used. [Laughter.]

ANOTHER FALSE STATEMENT

Commencing on page 7 of the Serkowich & Jenckes statement, it is said:

This bill (referring to the Robinson-Patman bill) was introduced in the House of Representatives by the Honorable WRIGHT PATMAN, of Texas, who declared it would make a carload and a single unit sell at the same price.

There is not a word of truth in that statement, although the chain-store interests have been repeating it from one to another ever since the law was passed.

In fact they have been telling it so much they probably believe it themselves.

This is another untrue statement that the junior member of the firm has sworn was true.

This firm of Serkowich & Jenckes, of course, wants to make money, and the chain stores are spending a lot of money. I will venture to say that the chains have a lobby that has pledged to it \$100,000,000, and I am not exaggerating when I say that. They are going to let some of that money fall into hands of irresponsible people that will do or say anything in the world.

"TALES" BY TATTLER TUCKER

We have a new service here. The name of it is "The National Whirligig." "News Behind the News by Ray Tucker." It is printed and sent all over the country. It is printed in my district. You know, Ray has a way of getting around and finding out things. He has a nose for news. He gets the news, and then he tells it. Some of it is true; some of it is not. I do not jump on columnists generally, because most of them are reliable, but some of them get off the track, just like Ray gets off the track.

A while back he printed an awful article about me. You would think I was one of the worst fellows in the country. My enemies wanted to get that information. They called on him for it. They said, "Ray, you furnish us verification of that. That is the very stuff we need against that man PATMAN."

Well, you know, Ray looked everywhere and he could not find it. He could not find it, because it was not true. It did not even border on the truth. Then, do you know what Ray does? He had the audacity—I will not call it unmitigated gall—to write me a letter admitting that he did not have any proof of it, but that he printed it and it happened 10 years ago, and he said it must have been printed in some newspaper sometime and "won't you please give me the name of the newspaper so I can furnish the information?" [Laughter.]

Now, there is a columnist sending out news from Washington, printing news that he has not any reason to believe is true. Then when called, he begins to look up the truth. I think that National Whirligig, by Ray Tucker, should be changed to Tales by Tattler Tucker. [Laughter.] He has been helping to spread some of this untrue propaganda.

I cannot cover in one speech everything that I should like to say.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield for a question?

Mr. PATMAN. I hope the gentleman will excuse me. My time is very limited.

Mr. SPRINGER. I just wanted to ask one question.

Mr. PATMAN. Very well.

Mr. SPRINGER. The firm of Serkowich & Jenckes—will the gentleman please tell who they are?

Mr. PATMAN. Serkowich & Jenckes, or whatever it is [laughter]—anyway, he came here as a stock salesman in a secret gold mine; later he became publicity director for the Congresswoman from Indiana. He represented her in her war with the country of Japan and got for her that wonderful publicity, including pictures, about her proposal to chop down the Japanese cherry trees around the Tidal Basin here in Washington. After that he got into the publicity business, and then I understand he went into partnership with this junior member of the firm, Mrs. V. Jenckes, of Indiana, and I understand the name of the firm is Heiman Serkowich & V. Jenckes. That is all I know about them except they have been working for the chain stores.

Mr. SPRINGER. Would the gentleman permit another question?

Mr. PATMAN. If the gentleman will please hurry.

Mr. SPRINGER. I want to ask whether the V. Jenckes, whom the gentleman mentioned, is Virginia Jenckes, who formerly served in this House?

Mr. PATMAN. I think she is from the gentleman's State of Indiana, and I am sure she is the same one. [Laughter.]

Now, I want to tell you about another one of these columnists.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will not insist now. I only have a few minutes, and I have something that I really want to say.

DR. "POKEBERRY" POPE

A while back I saw a news release, Washington Day by Day—Terse commentaries on people and places—Gentle iconoclasm with no favorites played, by Jim Pope.

That shows that he must be a pretty good news commentator; pretty courageous; a man with much intestinal fortitude. He is going to give the low-down on all the Members of Congress. He is going to start tattling, gossiping, and telling tales that nobody has ever heard. He is going to give us the "works." He sent to the newspapers of the country a long statement copying all of this old chain-store propaganda about me that the best newspapers would not print. He sent that around all over the country. Then the chains picked it up and sent it to about a hundred thousand people, professional men, lawyers, doctors, teachers, leaders all over the country—comments from this so-called great Washington columnist. That name, "Jim Pope," did not mean much to me; but I noticed down at the bottom an editor's note which says:

Dr. Pope's opinions are his own. His articles do not necessarily always reflect the editorial policies of this paper.

I said to myself, "Is that the same old unpardoned convict, 'Dr. Pope,' that I caused to quit using the mails to defraud a few years ago?" I looked into it and, sure enough, it was. [Laughter.]

One time there was a pension racket started here. That pension racket was to collect dimes and quarters and nickels from old folks in America. It was collecting six or seven hundred dollars a day. Highway robbery! That is all it was. I stood on the floor of this House and denounced J. E. Pope as the sole perpetrator of that swindle. I was called before a committee and I furnished that committee information which I had collected at my own expense, including copies of indictments that I had obtained from all over this Nation, where he had been swindling people ever since he was 21 years of age.

I sent to Houston, Tex., got a copy of the paper there, which said, "Young man given the limit of the law for defrauding distressed home owners." This was in 1904. That article showed that he had advertised under the name of J. E. Pope. He has stayed with one of these names: J. Pope, J. E. Pope, Jim Pope, Dr. J. E. Pope, James E. Pope—one or the other all of the time. He advertised: "If you are about to lose your home, I will make you a loan"—he used an investment name—"J. E. Pope." He would say, "Give me an abstract and \$15 and I will approve your loan for the amount you are asking." The applicant would comply. He would get the \$15 and then after the lapse of time he would say the title to the property was not good or that there was a defect in the title or the attorney turned it down, so he could not make the loan.

Then he went over to Longview, Tex., and advertised for salesmen, wanted watch salesmen. Unemployed people would come in to see him or write him. He would say: "Pay me \$10.75 for a watch and I will guarantee you \$50 a week." The unemployed person paid him the \$10.75 and never got a watch. They sent him to the penitentiary again on several counts. This was about 1918 or 1919. Copies of the indictments are in the records.

Then he goes to Fort Worth, Tex., about 1923 and becomes a fraudulent stock operator in the oil fields out there. They indicted him twice at Fort Worth. I have copies of his indictments in the records. I faced him with them before that committee and showed where they had brought more than 20 indictments against this man for fraud and racketeering all over this Nation, and I defied him to deny one of them. The gentleman from Georgia [Mr. RAMSPECK] was chairman of the committee. He said, "Dr. Pope, is that true?"

He said, "I cannot deny it," and he could not.

Then about 1927 he went to Denver, Colo., and engaged in fraudulent enterprise out there.

In 1929 he went down to Oklahoma. In Oklahoma they do not have licensed chiropodists. The chiropodist does not have to have a license out there. You can be a chiropodist just by calling yourself one. [Laughter.] Out there they have what is known as pokeberries. You can mash them up and take the juice and use it for writing fluid. I think this man J. E. Pope just took some of that pokeberry juice and wrote "doctor" in front of his name and made himself "Dr.

J. E. Pope." So he became a chiropodist, a profession about which he knew nothing.

Then he got into a pension racket, came here to Washington; and I went before the Post Office Department in 1934 and caused him to have to stop using the mails to defraud the old people. He admitted it. Then he started up under another name again, and I went back to the Post Office Department in 1936 and stopped him the second time from using the mails to defraud the old people. Now he shows up as one of these great columnists, "Dr." Pokeberry Pope, who is giving the lowdown on Members of Congress in Washington, and some of the so-called great newspapers are carrying it.

In the Washington Star, Washington, D. C., January 1, 1939, the following advertisement appeared in the personal classified column:

Ghost writer—successful author, journalist, radio speaker, will advise or edit and revise your story or speech in correct form. Helpful collaboration. Dr. Pope, manuscript editor, 518 Colorado Building, Washington.

Such an advertisement has appeared from time to time.

So the self-styled doctor has gone into the "ghost-writing" business, preparing speeches, and engaging in other personal relations activities.

He has spent practically all of his adult life since 1904—about 35 years—either in the penitentiary, jail, or under indictments charged with serious offenses, involving fraud and swindling.

Yet his column is accepted by many newspapers, the publishers not knowing the type of person who is giving the inside chimney-corner information on high public officials.

WILL KIDNAPING AND MURDER BE RESORTED TO?

It is a dangerous thing for any group to have such a large amount of money to spend for the purpose that it is being spent for. Much of this money will fall into the hands of irresponsible people and I state seriously that it would not surprise me if this method of attack and lobbying, backed by such enormous sums of money, continues that eventually some of the enthusiastic supporters of the opposition will actually resort to kidnaping and murder in order to silence those who oppose them. This is an astounding statement, I know, but I honestly believe it is possible by the way they have been conducting themselves in the past, as shown by congressional investigations, and the way they have started out conducting themselves in this campaign.

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes. I desire to ask him a question.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I am very anxious to get some real genuine information on this anti-chain-store bill. If the gentleman is given additional time, I think he should answer some of the questions because of the importance of the chain-store legislation.

Mr. COX. Mr. Speaker, reserving the right to object, if the House should grant the request I shall ask unanimous consent to vacate the special order giving me 10 minutes today.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the time heretofore allotted to him by special order of the House may be vacated and yielded to the gentleman from Texas. Is there objection? [After a pause.] The Chair hears none. The gentleman from Texas is recognized for 10 additional minutes.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. My purpose in interrogating the distinguished gentleman from Texas is this: I am afraid that the gentleman has not done himself justice in the reply that he made to the gentleman from Illinois who asked if he received \$18,000 in money in any one year for making speeches. The gentleman from Texas replied that he did not. I realize he has been interrupted many times and has been diverted. However, I hope he does not overlook it, and

I am sure he does not intend to do so. In my judgment, I believe the gentleman owes it to himself to state, if he will, how much he did receive from the speakers' bureau so there will be no unfair inferences drawn, or prejudicial inferences drawn, from the gentleman's answer.

Mr. PATMAN. That is a very fair question, and I am glad the gentleman has brought it to my attention, as I certainly expect to answer every question asked.

When a reputable speakers' bureau arranges for speakers, such as United States Senators and Members of the House, they usually receive from \$100 to \$400, out of which they must pay their expenses. The organization wanting the speaker usually has a certain amount set aside as an honorarium for the guest speaker. The speakers' bureau advises the one invited and informs him he will receive a certain amount if he accepts. The speakers' bureau makes a profit, as it should. The speakers' bureau has no right to contract for the appearance of a Member of Congress. The invitation is submitted to him. If he wants to accept, all right; if not, all right. The acceptance usually depends upon the convenience of the Member and his desire to get his views over to the group that has invited him.

Take a speaker in a national campaign who is working in behalf of some cause he considers of great importance to the people. One time he will go out and make a speech and not receive expenses or any part of his expenses, and another time receive expenses. He will often have to pay his own hotel bills. The next time he goes out he might receive his actual expenses for the trip. The next time he might receive enough to pay his expenses two or three times. When all is said and done, you are in the position that I have been in, that you have not acquired one extra penny from it and should not expect to. Some Members spend all the time they have to spare trying to present what they consider a good cause to the people. Other Members use their spare time in different ways. I have never known of a Member permitting speech making to interfere with his duties as Congressman.

No speaker in a national campaign he is promoting, if he is earnest and sincere in trying to put it over, realizes a penny profit from speeches.

Mr. COX. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Nobody in this House, I am sure, questions the gentleman's fine veracity, his great ability, and his fine patriotism. The question propounded by the gentleman from Oklahoma also sought to elicit information as to the total amount the gentleman received.

Mr. PATMAN. In any 1 year from the speaker's bureau?

Mr. COX. Yes.

Mr. PATMAN. During the first year \$5,000, I am sure, will cover it, although I have not checked up. In the other year not that much. When it is all said and done, when you pay your printing bill, when you pay your stationery bill, when you pay your other expenses, including extra office help, you have nothing left and have been out money besides. That is the experience of all of us. That is the penalty for being zealous and determined to win.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. PATMAN. I have not very much time.

Mr. ROBSION of Kentucky. This will be very brief.

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. It has been stated here that farm organizations have gone on record against the gentleman's chain-store bill. Is it not also true the American Federation of Labor has gone on record against the gentleman's bill? I should like to know why that is.

Mr. PATMAN. I do not know of my own knowledge. I am sure they did not consider all the facts and circumstances.

Mr. ROBSION of Kentucky. I should like to know why the American Federation of Labor took that action.

Mr. PATMAN. I hope the gentleman will not ask me to yield any more on that point at this time. I will cover it in a subsequent speech.

With all the snoopers, with all the gossipers, with all the detectives and the legislative "consultants," they have not found anything for which I am deserving of criticism. I am not defending, I am not apologizing, as I have done nothing wrong. I am trying to show what methods certain people will resort to. Let the Wall Street monopolists continue to have the help of certain unfair newspapers, of such legislative "consultants" as Serkovich & Jenckes, and such unpardoned convicts as Dr. "Pokeberry" Pope, and such columnists as "Tattler" Tucker, and they will not succeed as we have the right side, and when the people get the truth, H. R. 1 will become a law.

Some people have gone a long way trying to smear me and they have done it for two good reasons. William Jennings Bryan reached the people through the Speakers' Bureau. The newspapers would not carry what he had to say. The elder La Follette did the same thing. The newspapers would not carry what he had to say. Some of the greatest men on earth have used this vehicle as a means of communication to the people when they could not reach them in any other way.

The reasons why they want to destroy me are two. One is to weaken my efforts and fight against monopolies. I was the one who disclosed that 24 banks, 13 of them in one city, own one-third of the banking resources of the 16,000 banks in the Nation. These 24 banks are heavily interested in business, industry, and manufacturing and they have their eyes on control of retail distribution. The second reason is they want to intimidate every man in public life that they can intimidate. This not only applies to me; it applies to you. It demonstrates what they will do to you if you attempt to cross them and propose legislation against them or make a strong fight for the enactment of legislation that may be detrimental to their business but in the interest of the people.

NO PERSONAL INTEREST OR SELFISH INTEREST

The only interest I have in this legislation is to cause the enactment of a law that I believe will be of great benefit to the people of this country. I have no selfish interest whatsoever and have nothing to gain any more than any other citizen would gain. On the other hand, many of those, who are opposing me, are selfishly interested. They have privileges and opportunities that are not only worth millions of dollars but instead, in the years to come, if they can retain them, they are worth billions of dollars. So the point is: Who is more likely to give the people the best and most correct information—one who has nothing to gain except serving the public interest, or one who is selfishly and financially interested?

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. SCHAFER of Wisconsin. I have not reached any conclusion as to whether I will support or oppose the gentleman's bill; but, as a matter of information, when the gentleman was out on this speaking tour, for which he received compensation, was it part of the gentleman's agreement to discuss the chain-store tax legislation?

Mr. PATMAN. I am glad the gentleman asked that question. No; there was no agreement to discuss anything except the observance and enforcement of the Robinson-Patman Act. I did not discuss any chain-store tax bill because that was not proposed until 1938. The speaking tour was in 1936. That is the charge that was made in the newspaper in Chicago, but it was untrue.

Mr. ALLEN of Illinois. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Did the gentleman not discuss it in Chicago 2 or 3 months ago?

Mr. PATMAN. Possibly several months ago I did discuss the Federal chain-store tax bill in Chicago.

Mr. ALLEN of Illinois. Well, the gentleman did, did he not?

Mr. PATMAN. I am sure the gentleman must be referring to a debate I had in Chicago before the National Conference of Business Paper Editors. It was October 19, 1938, at the

Union League Club, and the organization paid my actual expenses, which were less than \$75. We have been talking about the speaking tour in 1936. That is the tour, as I understand it, that is being discussed. I will include a copy of the speech in the *RECORD*, delivered on that tour in 1936; and if there are any other speeches you want to see, call them to my attention, and I believe I can secure an exact stenographic copy of every word that was said at each meeting.

Mr. CELLER. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. CELLER. Relative to the bill the gentleman has introduced, he might be interested in reading very shortly the result of a poll taken by the magazine *Fortune*.

Mr. PATMAN. Do not get me into that discussion, as I do not have the time.

Mr. CELLER. That shows the change of sentiment against the gentleman's bill and against chain stores.

Mr. PATMAN. I did not yield to the gentleman for that purpose. However, it depends on the way you interpret the poll. I can see in it much encouragement. I only have 2 minutes. The gentleman will not insist on taking that, will he?

Mr. CELLER. I will not; no.

Mr. PATMAN. In conclusion, my opponents would like to smear me or any other Member of Congress who gets up and fights the battles against those people who have special privileges they are not entitled to and who are trying to hog more. If you will not listen to them they will seek to destroy you. They will weaken or destroy every courageous man in the Nation who takes issue with them if they can. I would not have their vicious opposition if I merely introduced the bills but did not make a real effective fight to get them enacted into law. My present opponents would compliment and admire me if I merely dropped this bill in the hopper and made no real effort to cause its enactment.

UNEQUAL SITUATION

These large concerns, which are 100 percent organized among themselves and cooperating perfectly, have at their disposal plenty of money, the very best brains, the most influential people, many newspapers, and more power than is possessed by any group in America.

In this fight about all I have is the cause, which I believe is right. If they can destroy me, they know it is in their interest to do so. If they should be successful, they feel that no other person would dare take up the fight within the next generation, or any other fight in opposition to them.

POLICY I ADOPTED AS A NEW MEMBER

When I came to Congress as a new Member I very quickly realized how insignificant I was and how feeble and weak my efforts would be in this great lawmaking body. I had in mind certain measures of great importance, and decided that although my influence in this body was very limited, I could appeal to a higher source, to the masters of the 531 Members of the House and Senate, the people of the United States. I commenced a campaign to sell the people on my proposals, knowing that if I sold them that Congress would gladly carry out their will and wishes. Such campaigns caused the enactment of the bill to pay the veterans the remainder due on their adjusted-service certificates, the Robinson-Patman Act, and other proposals. I could have introduced all of these bills and made a speech each session and returned to the people, who elected me every 2 years, with a good campaign issue to be reelected on, but nothing would have been accomplished, except I would have had an issue to keep me in Congress. It was my sincere desire to actually accomplish something, and that is the reason I resorted to the method of speaking campaigns to sell the people. If the newspapers will not carry what you say, and if your time over the air is restricted or limited, there is only one other way to arouse the people on a good cause and that is through a speakers' bureau or a campaign tour of some kind. Then when you go to a city to make a speech, a large number of people are interested. It is news and what you say is carried in the newspaper whether the newspapers want to carry it or not. If my method does not

meet with the approval of some people—and I am sure it does not because it has been effective—I can only say to them that what I have done in this respect has been with an honest, conscientious desire to be of real service to the plain people of this country. My constituents realize that my ability to serve them depends upon my ability to get the support of sufficient people in other States and districts to accomplish worthy objectives.

Mr. Speaker, I have permitted every Member who desired to ask me any question he desired. I appreciate your patience and the unusual courtesy of permitting me to speak so long by unanimous consent. I love a good fight; and so far as I am concerned, this fight has just commenced. [Applause.]

[Here the gavel fell.]

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 20 minutes.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the *RECORD*, and I call the attention of the Chair to the fact that the *RECORD* will disclose I was granted 30 minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

The SPEAKER. The gentleman temporarily is recognized for 20 minutes. The Chair can verify the *RECORD* in the meantime.

Mr. GIFFORD. The *RECORD* will disclose that I was granted 30 minutes.

Mr. Speaker, I wish I were a truly great man like the last speaker. Then there would not be an exodus. Every one knows that the topic I shall discuss would not be particularly welcome to the majority side of the House.

I wish I might think that the ethics were such that I could be paid to travel over this Nation of ours and talk on the subject about which I shall speak this afternoon. It is, indeed, a very important matter and perhaps should not excite real controversy when rationally considered.

I have so often spoken on the same subject. The reason I have asked for the time is that so few desire to speak, and, as my Committee on Expenditures will not work, this is my forum to give warning about the expenditures of the Government, and I shall continue to grasp every favorable opportunity. I do not wish to weary the Members, and if other speakers are forthcoming, certainly I shall always be pleased to withdraw or withhold requests for time. There are so many wasteful, futile, and extravagant expenditures by the Government that the subject is now practically inexhaustible.

The SPEAKER. Will the gentleman suspend for just a moment? The Chair has verified the statement of the gentleman from Massachusetts and the gentleman will be recognized for 30 minutes.

Mr. GIFFORD. I wish to call the Speaker's attention to the fact that the statements I make seem usually to be correct, as they are seldom refuted.

The SPEAKER. The Chair trusts the gentleman from Massachusetts will not take any offense, but the Chair was informed by the Parliamentarian that the record shows the gentleman was allowed to address the House for 20 minutes.

Mr. GIFFORD. I want to say I think so highly of the Speaker that even if he meant offense I could not recognize it.

The Robinson-Patman Act and the Miller-Tydings bill are controversial and they interest certain classes of people. Of course, those classes of people will try to protect themselves, and I suppose we shall be surrounded by lobbyists, so-called, although most of us are now immune.

However, the most outstanding and the fearful question in the hearts of the people today with relation to our internal affairs is, "How large a debt will the public stand?" Not, "Can we stand?" It is purely a psychological question. I repeat, not "How much can we stand?" but "When will

conditions so suddenly confront us that the fateful moment will find us totally unprepared?"

I wish to call your attention to a few quotations in the press this morning. If I speak of items of which you also have seen, then you will be unable to disagree. "In London political changes caused a near panic." "Fear of war jolts the money market." Many securities of ours held by foreigners were quietly and quickly sold yesterday. Last Saturday it was asserted that that day's little slump was only natural, because there had been a jerky condition of the markets going up during the week and naturally "profit taking" selling follows. But suddenly a real slump came yesterday and investors are again fearful. Talk of war may be responsible, but there is an underlying fear greater than that. Even United States bonds have weakened, but that will be not for long. The \$2,000,000,000 stabilization fund will come to the rescue. Banks that are overloaded with such bonds know it is their full duty to buy rather than sell, and to support the Government securities lest a shake-up in the Government finances may adversely affect their whole structure. As the London Observer states, "Carry on, United States, your bucket-shop business in your own securities." We have to do it.

Indeed, the emergency is still with us. Already we hear that we are to be asked to renew the act creating the \$2,000,000,000 stabilization fund. We may think it to be wise, but we may wish to question its present condition. Will the minority be too greatly criticized if we should insist that proper and sufficient explanation be given of that present condition before we renew this privilege? I rather think if we question it we shall be told that it would be highly dangerous for the country to be given information as to the present condition of this stabilization fund. We are to be asked to renew the privilege of printing \$3,000,000,000 to support the market, lest the banks do not at some time come quickly enough to the rescue. We are going to be asked for a continuation of the privilege of further devaluing the dollar. Already it is a sword of Damocles held over the heads of all investors, causing them constantly to fear that they may wake on the morrow and find they have again been deprived of the face values.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. CRAWFORD. With reference to the stabilization fund, I have noticed a statement, which I believe comes from the Treasury, to the effect that the Treasury has earned something like \$6,000,000 profit on the stabilization fund during the past year. Has the gentleman been able to find from what source this profit was earned? In other words, was it earned on the basis of lending money or on the basis of operating in the exchange market?

Mr. GIFFORD. You can only assume, and listen to gossip lacking real authority. They tell us that when the French franc goes down, they buy, and I presume that on some favorable morning when the French franc goes up again they will say they made some money.

Mr. THORKELSON. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Gladly. I desire to yield.

Mr. THORKELSON. Are United States bonds liquidated on the London market payable in gold in England?

Mr. GIFFORD. Certainly.

Mr. THORKELSON. Are they payable in gold to people in the United States?

Mr. GIFFORD. Any Englishman who sells anything he holds in this country, of course, has the funds transferred to him in gold.

Mr. THORKELSON. And similar funds are payable to American people in commodity money?

Mr. GIFFORD. To American people in any kind of money, no matter what the substance is, if it has the suitable engraving on the bill or coin.

Mr. CRAWFORD. If the gentleman will yield further, this means that if any foreigner sells a bond or a stock of one of

our industrial concerns, he gets his remittance in the form of actual gold if he wants it?

Mr. GIFFORD. Certainly.

Mr. CRAWFORD. The same as if it were a United States Government bond.

Mr. GIFFORD. Yes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. O'CONNOR. That is not what the gentleman said. The gentleman said a bond that was held by England repayable in gold would have to be paid by gold when the bond was due, but he did not say a stock had to be redeemed in gold.

Mr. GIFFORD. Any security sold on this market belonging to a foreigner, when he asks for the money at home we return it in gold if he requests it.

Mr. O'CONNOR. But not in the case of stocks in a corporation.

Mr. GIFFORD. For goods or anything.

Mr. McGRANERY. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McGRANERY. The gentleman does not mean to infer that a citizen of England selling stocks on our American market would immediately have physically transferred to him or at a future time physical gold?

Mr. GIFFORD. Oh, no; the gentleman fully understands me and we all understand about that.

Mr. McGRANERY. So there is no gold that goes to the English citizen any more than a citizen of our own country.

Mr. GIFFORD. He gets his credits, and when the credits are needed to regain balances, gold is transferred to such foreign countries.

Mr. CRAWFORD. Mr. Speaker, if the gentleman will permit, I think this is a very fundamental thing we have up right now, and I think there is a misunderstanding creeping into the discussion. Let us assume that the gentleman here is a Britisher, and he sells \$10,000 worth of A. T. & T. stock on the market this afternoon from London through his brokers in London and New York; tomorrow can he not go to his British bank and draw \$10,000 in gold?

Mr. GIFFORD. Certainly; if he demands it; but as a rule the accounts are kept until there is an unfavorable balance or gold is desired by their nations.

Mr. CRAWFORD. And his British bank on the settlement of international balances receives gold to replace the gold they cover up as, if, and when.

Mr. GIFFORD. And the gentleman's question leads to this: Why cannot the citizen here get his gold? Is this emergency still here? With \$14,000,000,000 of gold, if you should wish a gold piece and prefer it to another kind of money, why should not you as one of our citizens have it? Would you dare present a bill requesting that that be done?

Mr. McGRANERY. Mr. Speaker, will the gentleman again yield?

Mr. GIFFORD. Yes.

Mr. McGRANERY. My good friend has again answered a question which would indicate that a physical transfer of gold to a citizen of England would be his for the asking. Is it not true that the monetary system of England is based on silver and not gold?

Mr. GIFFORD. It is on a managed basis, but the people seem to like to do business based on gold. I think the gentleman knows this. The value of the dollar at 59 cents is based on gold, and, of course, the pound has still reference to its actual gold value.

Mr. McGRANERY. But sterling is the monetary basis.

Mr. GIFFORD. It is a managed-currency system.

Mr. McGRANERY. The gentleman inferred that a sale of stocks here to the credit of an English citizen would result in his being able to go to his English broker and say, "I desire to have that money in gold." Does the gentleman mean that we transfer gold dollars to British bankers in that way?

Mr. GIFFORD. Oh, the gentleman knows it is a matter of bookkeeping for a while, but there comes a time when the

Bank of England sends over here and states, "We want \$25,-000,000 or \$50,000,000 of gold." And when the individual demands it over there, of course, he can get it.

Mr. McGRANERY. But is not that something that has to do with your Import and Export Bank?

Mr. GIFFORD. The gentleman is going far afield. We are talking about the fact that an Englishman can get gold and have gold in his pocket, and the other gentleman wants to know why we cannot have gold in our pockets over here.

Mr. McGRANERY. The point I make, sir, is that the Englishman, as I understand it, cannot get gold from his broker.

Mr. GIFFORD. We know of no such law in England. We do know, however, that we may not have gold in our possession in this country.

Mr. McGRANERY. But we do know that sterling is the basis of the monetary set-up of England.

Mr. GIFFORD. Oh, yes; we know that.

Mr. McGRANERY. And not gold.

Mr. GIFFORD. But we are talking about why the individual in this country cannot have a little gold.

Mr. THORKELSON. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THORKELSON. We are on a commodity or managed-money basis that is not secured by gold. It is scrip money, and the value of it is based upon the price level or upon ability to keep the prices at such a level that the dollar will have a certain purchasing power, which means that the dollar we are using here is without any value. If I had \$100,000 over in England, that \$100,000 is credited to the gold-credit balance of England. Is not that correct?

Mr. McGRANERY. That is correct, if the gentleman is asking me the question; but it is credited in dollars.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. WHITE of Idaho. As a matter of fact, the English Government is off of gold, and their currency is not redeemable in gold.

Mr. GIFFORD. When the gentleman says the English Government is entirely off of gold it amuses me. They seem to desire large quantities and are always very fearful when much is withdrawn and deposited in other countries. Of course, indirectly they are tied to gold. It is not yet abandoned. We talk in terms of gold, and so do they.

Mr. WHITE of Idaho. Their currency is not redeemable in gold. Will the gentleman say that it is?

Mr. GIFFORD. Oh, no; of course it is not; but they hope, I am sure, that specie payments may at some time be resumed.

Mr. McGRANERY. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. McGRANERY. I am sorry to encroach on the gentleman's time.

Mr. GIFFORD. Oh, no; the gentleman seems to know so much more about it than I do that I am glad to yield.

Mr. McGRANERY. Oh, no, I do not; but I would like to know how the American dollar compares with the English pound sterling.

Mr. GIFFORD. I have not the figures today. It varies. Somebody here may know that.

Mr. McGRANERY. Four dollars and seventy-five cents to the pound?

Mr. GIFFORD. It used to be \$4.87. I presume it is about \$4.75.

Mr. McGRANERY. To the pound?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. If the gentleman will permit, it has been fluctuating from \$4.63 to \$4.70 for the last several weeks, and that has operated against exports of goods from the United States in favor of British imports. It is going on all the time.

Mr. GIFFORD. Back of it all—and that is fully understood—there is still hope and expectation that the pound and

the dollar may eventually be redeemed in gold. I want now to talk about the silver situation. Silver! "Fiscal insanity," it is called. A few of you silver men influenced the President in 1933 to issue a proclamation that domestic silver miners, representing so few, should be recognized. A price of 64.64 cents was put on domestic mined silver, and that we were to buy silver until we got to the point where there would be one-third as many ounces of silver as there were of gold, and we have spent \$1,000,000,000—wasted money—

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Oh, I knew the gentleman could not stand it long.

Mr. WHITE of Idaho. Is it not a fact that the Government and the people of the United States have made 100-percent profit on every ounce of silver that the Government bought? The Government buys it at 64 cents and issues it at \$1.29; and remember, also, silver certificates do not bear interest and circulate without interest.

Mr. GIFFORD. Yes; and we made \$2,000,000,000 in gold overnight by marking something up. You call silver worth \$1.29 for monetary purposes. Think of it! Only a matter of bookkeeping. The world price is about 43 cents, and we were paying 64, and we have purchased of foreigners more than four times as much as we have of domestic producers. Mexico's treatment of us is abominable, but we are the real support of her monetary system through the huge profits paid to her for her silver, to placate a few silver representatives from Idaho and adjacent sections.

Mr. THORKELSON. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. THORKELSON. We reserved or set aside and made the price of silver 50 cents an ounce, and we imported a considerable amount of silver at 50 cents. We know, of course, that silver can be produced in India for 10 cents an ounce, and we pay 40 cents more than the actual production cost. In buying that silver we credit the nation that sells it to us with the amount that we buy. In paying the credit or in balancing that credit or satisfying it, we pay that in gold for the silver? Is that correct?

Mr. GIFFORD. Certainly, they can call for the gold.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. WHITE of Idaho. The gentleman from Montana said that they produce silver for 10 cents an ounce in India. I state to the gentleman that the Indian Government imposed an 18½-cents-an-ounce duty on silver to keep silver out of India; and if the gentleman will investigate that at the Department of Commerce, he will see that I am correct.

Mr. GIFFORD. For monetary purposes it is \$1.29, and the world price today is 42 cents. We are paying a subsidy to China and to Japan, and when Japan conquers China we shall get plenty. Half the silver that has been received here has been in silver coin, not bullion, upsetting monetary systems abroad.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. O'CONNOR. Does not the gentleman think that the Government did a wise thing when it wrote up the price of gold under the then existing conditions?

Mr. GIFFORD. The gentleman has heard me say before that it should have been written up; but not 40 percent. Mexico says to us, "Do not talk about expropriating your oil lands. What did you do to us? The value of our investments in the United States was cut 40 percent overnight."

Mr. O'CONNOR. Let me finish the question. Does not the gentleman further think that in view of our present and anticipated national indebtedness, gold will again have to be written up in order to bridge the gap?

Mr. GIFFORD. If you want to continue the race with foreign countries. But where will the race end? We sent Moley over there to try to get them to stabilize, did we not?

Then suddenly someone reached the ear of your President—

Mr. O'CONNOR. Let us get back to gold.

Mr. GIFFORD. No; let us get back to that. I am answering your question. There was a gesture to stabilize, because nations had devalued in order to export more, sell more to us; and buy our dollars cheap. And so the President decided, apparently, to devalue also, and devalue more than any other, and give them a real dose of their own medicine.

Mr. O'CONNOR. Now, the gentleman knows the commercial value of gold is only about \$15 per ounce. Everything above that is artificial. We have to do something about this national indebtedness sooner or later. We are going to run out of water some day in this pump priming.

Mr. GIFFORD. Oh, I am so glad you acknowledge that.

Mr. O'CONNOR. We have to look conditions in the face.

Mr. GIFFORD. The rabbits are all out of the hat. [Laughter.]

Mr. O'CONNOR. Now, what I am getting at is you have got to either start the printing presses or you have got to rewrite the price of gold, and if you are going to cover it in that manner you have to advance the price of gold.

Mr. GIFFORD. Oh, I am so sorry the gentleman said that. He tells you it is too late to retrace your steps. God knows I have told you that often enough.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from New York.

Mr. SIROVICH. I would like to pay tribute to the versatility of the distinguished gentleman from Massachusetts. He is one of the most brilliant men on the Republican side of the House.

Mr. GIFFORD. I am afraid of what flattery from the gentleman may portend.

Mr. SIROVICH. I would like to ask the gentleman the following question: When our Government was founded in 1789 it was 98 percent agriculturalized and 2 percent industrialized. At the present time our Nation is 70 percent industrialized and 30 percent agriculturalized.

This phenomenal development in our country is attributable chiefly to the subsidies that have been granted either directly or indirectly to various sections of our Nation. New England, for 130 years, has been the beneficiary of the protective tariff, which siphoned out the wealth of the agricultural interests of our Nation. We have also given subsidies since then to the railroads, to the merchant marine, to banking interests, to farming interests, and it is also necessary to subsidize the natural resources of our country, like silver and gold. I contend that subsidy, either directly or indirectly, is a necessity for us to bring prosperity to all sections of the Nation, including labor, through restrictive immigration, which has been the formula of various administrations in the past.

Mr. GIFFORD. I yield no further. That is entirely beside the subject. Poor old New England!

Mr. SIROVICH. I want to call attention to the fact that we have grown through subsidies.

Mr. GIFFORD. Oh, the country has been living through subsidies. Greenbelts! Ninety of them! Subsidies to take care of a few people. Oh, we have been so liberal! So easy to increase subsidies and make everybody happy for a time. She wore a No. 7 shoe, as I recall, and she says, "No. 8 is so comfortable that I wear No. 9's." [Laughter.]

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HOFFMAN. I came in a little late and I did not hear all the gentleman had said.

Mr. GIFFORD. We are talking about subsidies.

Mr. HOFFMAN. But I understood the gentleman was talking about the national debt.

Mr. GIFFORD. I tried to talk about that.

Mr. HOFFMAN. I want to call the gentleman's attention to the fact that the distinguished gentleman from Wisconsin [Mr. AMLIE], who was yesterday appointed to the Interstate Commerce Commission, on November 24, 1937, on the floor

of this House said—RECORD, page 372—in answer to my question—I quote:

The gentleman thinks we can continue to spend beyond our income for 20 years without endangering our financial structure?

Mr. AMLIE. Yes; I think so.

In view of that statement, is the gentleman still worried?

Mr. GIFFORD. Oh, page Mr. Eccles. He has told you we should not worry about the debt. Somehow, all other private bankers are sending us resolutions that the debt must not be further increased. We are within shouting distance of a \$50,000,000,000 debt, apparently without the slightest hope of action on our part to lessen it one iota. Yesterday the President asked us for hundreds of millions for health; hundreds of millions for defense; spending from fright; adding and adding, and not a single, solitary sign of encouragement from anybody on the Democratic side of the House; not a speech, not a promise, not a ray of hope from the majority to a Nation that has hoped for something from you which the businessmen of the country might regard as a return to sanity. No. Rather, they have said in another body of this Congress, where they have recently confirmed a man of the least possible qualification, after first stripping him naked of any genuine business experience and then approving him to carry on the work of the great Commerce Department.

That honorable body argues that the President should have whom he might personally like. Is not the Nation itself entitled to some consideration? Why continue the power of confirmation, which is the supposed safeguard in such cases? Why have they surrendered it?

Mr. McCORMACK. Mr. Speaker, will my colleague yield?

Mr. GIFFORD. Yes; I yield to my friend. I know he wishes me to be less forceful.

Mr. McCORMACK. I was just coming to that. I noticed my friend was very much disturbed about gold and silver and I am much concerned with him about the expenditures of the Government. I was going to ask my friend what he thought about the Townsend plan and the tremendous expenditures which that would bring about. [Laughter and applause.]

Mr. GIFFORD. I shall request extra time if you are interested in that matter, because I am speaking today simply to excite interest in fiscal matters. I regret that the gentleman so seldom honors me with his presence on the floor. He should hear me more often. Only 2 years ago I took the floor, the first speech made on the floor of the Congress, and I spent an hour speaking against the Townsend plan.

I did not hesitate. I gave my views very seriously considered, I believe, and I have not changed. What he would really like for me to say is inferred by the roguishness of his remarks. [Laughter.] Like a previous speaker, we wish to confess our errors, if any. [Laughter.]

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield at that point?

Mr. GIFFORD. No; I am not through. The gentleman well knows that the Republicans of Massachusetts, in State convention assembled, pledged, without prior consultation or consent, all their Congressmen to bring the Townsend plan to the floor of this House for discussion. I remarked: "How can I help bring a matter to the floor of the House of Representatives which I must then immediately vigorously oppose?" And everybody know my stand on the question. I merely want the gentleman from Massachusetts to divest himself of all party feeling and be my spiritual adviser when the time comes for me to act on that particular phase of the matter, namely, to bring it on the floor. [Laughter.]

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield now?

Mr. GIFFORD. I yield.

Mr. O'CONNOR. The gentleman spoke about an anticipated indebtedness against the Government of \$50,000,000,000. I do not know whether this is a fact or not, but it was rumored around over the country in 1933 that a dele-

gation of bankers from the city of New York—when the country was practically faced with civil war following 4 years of high Republican rule—that this country—

Mr. GIFFORD. The gentleman is telling something. I have seemingly no need to answer, especially such an assertion.

Mr. O'CONNOR. In a talk with the President of the United States, President Franklin Roosevelt, they intimated to him at that time that this country could stand an indebtedness in the neighborhood of \$70,000,000,000 and still be sound.

Mr. GIFFORD. I assume that Governor Eccles told him that.

Mr. O'CONNOR. No; but I understood that the conversation occurred. Does the gentleman have any information on that?

Mr. GIFFORD. Oh, everybody knows how promptly people are challenged if they make direct statements. I do not have to make direct statements to convey actual truths. Even when I merely look into your eyes I can read there what you would like to say. The truth permeates just as well as though words had been uttered. But I only say that from your words or looks I can "assume," which is sufficient. [Laughter.]

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. Following the customary practice under such circumstances, there being another special order, the Chair asks if this is agreeable to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. It is, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that he be permitted to address the House for 10 additional minutes?

There was no objection.

The SPEAKER. The gentleman from Massachusetts is recognized for 10 additional minutes.

Mr. HOFFMAN and Mr. O'CONNOR rose.

Mr. GIFFORD. I yield first to the gentleman from Montana. I want him to finish.

Mr. O'CONNOR. The gentleman talked about the Townsend plan. Does not the gentleman know that about 62 of the new Members of Congress, that is Republicans who displaced Democrats, were endorsed by Dr. Townsend and the Townsend organization?

Mr. GIFFORD. Flirtations are very, very costly sometimes.

Mr. O'CONNOR. And does not the gentleman further know that if this House adopted the Townsend plan that it would be a tax on business and not a tax upon the United States Government?

Mr. GIFFORD. We will discuss that later and discuss it plentifully. I hope the gentleman will read the speech I made 2 years ago. I probably would not change it to any great extent.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HOFFMAN. Referring again to the gentleman, Mr. Amlie, who was yesterday appointed to the Interstate Commerce Commission, why do you worry over our financial condition when, if the new member of the I. C. C. has his way, our wealth is to be redistributed every now and then? Mr. Amlie was asked on November 24, 1937, page 374 of the RECORD of that date:

Am I correct in understanding that the gentleman's theory is that once in so often the wealth of the country, or those who have, should have part of their property taken from them to be shared with the more unfortunate?

And in answer Mr. Amlie said:

Yes; I would agree to that.

Does the gentleman think that the appointment of this man, Mr. Amlie, to the Commission will aid in redistributing the wealth or in aiding the railroads?

Mr. GIFFORD. Why, these worn-out theories held by perhaps discredited persons who now surround the President and whom he wants, remind me, "Mama, what happens to all the old worn-out automobiles?"

"They sell them to your father." [Laughter.]

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HAWKS. I may say to the gentleman from Massachusetts that that gentleman was completely discredited, and I would like to advise the Members on this side of the House that he is completely discredited in the State of Wisconsin.

Mr. GIFFORD. When I revise my remarks I will say, "Seems to be." By being defeated they may not be actually discredited, but their theories may be.

Mr. HAWKS. Seems to be. Mr. Amlie?

Mr. GIFFORD. That is a safer expression.

Mr. HAWKS. The gentleman recently appointed—only yesterday appointed—to the Interstate Commerce Commission. I was just wondering if the city of Washington is the last outpost of these people who are apparently completely discredited in their own States?

Mr. GIFFORD. It is a sad day, I may say to my colleagues, it is a sad day, that when the people have spoken and administered their rebuke, after the tide has definitely turned, there are those so stubborn that they will still continue to carry out their own prejudicial ideas and reforms to the—I do not know how to say it—to the destruction that all know in their hearts may be facing the Nation as a result of these ill-advised and dangerous experiments. If sincerity of purpose is pleaded, let us find a more appropriate word.

The majority is still in full control. Must it still submit to that stubbornness? Must there be sacrificed the welfare of the whole Nation, as they see it, believe it, and proclaim it as in another body, even as they vote compliance? It seems incredible.

We have been loaded with these pump-priming vagaries. We are loaded with problems that we seemingly cannot solve. There is not a word yet as to any attempt to relieve conditions and give business freedom and confidence. Relinquish the stranglehold granted by us under emergency acts and instill a little confidence into the hearts of those on whom we must depend to lift us out of these depressing conditions. The Nation has been sold costly, futile experiments, and the Government holds a large stock of them on hand.

A man once said to a dealer, "You sold me a beastly cigar." But the dealer said, "You are lucky. I have thousands of them left, myself."

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman talked about letting business go to work. What was the matter with business in 1930 that it did not go to work?

Mr. GIFFORD. Can the gentleman think that far back?

Mr. WHITE of Idaho. It seems the gentleman cannot.

Mr. GIFFORD. I can, indeed. I can think back to the twenties. I can go back to the 1890's, the happiest days of all. If I had the business index here, I could show you exactly. I could show you how it dropped like a shot in 1932 and 1933, from November to March. That is the time the gentleman should study most carefully. That was an interesting period of 4 months, while plans of the President-elect were being formulated, while the people guessed at what their new deliverer was going to do—and how fearful they were of him. It was a trying period. But in March 1933 he promised much. And all Republicans supported him fully, relying on those pledges and promises.

Mr. WHITE of Idaho. And the same curve the gentleman speaks of started on the upgrade from that date.

Mr. GIFFORD. Let us not get into that story.

Mr. McGRANERY. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. While the gentleman deplores the pump-priming processes, does the gentleman, or his party, have any program to offer?

Mr. GIFFORD. Indeed we have. If we offered it you would, of course, try to laugh it out of court. You will hear our plans sooner than you may really wish.

Mr. McGRANERY. Now is the time to offer the program.

Mr. GIFFORD. You want to hear of no program. Our program at present, which is the highest form of statesmanship, is to hold the majority closely to its responsibility to the Nation. That is all at present that we are expected to do, and we are at present apparently perfectly capable of carrying out that function.

Mr. THORKEKELSON. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Montana.

Mr. THORKEKELSON. Is it not well in the proposal of a new program to allow business to assume its right reserved to business in the tenth amendment to the Constitution and permit them to have the power to regulate their own affairs without Federal interference?

Mr. GIFFORD. Permit me to close my remarks by letting this ring in your ears: We have delegated great powers to one man who controls business to such an extent that one remark about copper sent the whole market into a state of deflation. He declared:

I want it said of my first administration that those forces have met their match. I want it said of my second administration that they have met their master.

He apparently thinks he is just that.

[Here the gavel fell.]

The SPEAKER. Under a previous order of the House heretofore entered, the gentleman from New York [Mr. DICKSTEIN] is recognized for 30 minutes.

Mr. JONES of Texas. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Texas.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent that on Thursday next after the reading of the Journal and the disposition of matters on the Speaker's desk I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

UN-AMERICAN ACTIVITIES

Mr. DICKSTEIN. Mr. Speaker, I sat here this afternoon in great amazement and surprise when the articles of impeachment were read by the Clerk against the able Secretary of Labor, which was a request of this House for action. It is not my purpose now to criticize any member of the Dies committee, but I would like to get some information from that committee so that I as well as other Members of this House may be more acquainted with the whole problem.

In the first place, after having heard the articles of impeachment read, I am not aware of any specific charges that would justify an impeachment proceeding of any kind. The broad references to the immigration laws reveal only the most superficial knowledge of the statutes.

Who is responsible for these impeachment proceedings? Was it the Dies committee or was it a minority member of that committee? The press, I am sure, will imply that the majority members of that committee, who are Democrats, have brought in an impeachment indictment against a Cabinet member, the Secretary of Labor, and two others in that Department, the Commissioner of Immigration and the Solicitor. Is it the position of the Dies committee that the

charges contained in the impeachment indictment have been sustained before that committee or a subcommittee thereof or is this merely a frivolous gesture at impeachment for the purpose of furthering some political ambitions for 1940?

Mr. Speaker, I am chairman of the Committee on Immigration, and I may say that this committee is continually faced with problems of the most difficult character, technical as well as social. We tried our hardest to determine what constitutes a Communist. May I say that after a great deal of study we found it was impossible to deport certain groups that we believed were communistic because the law was defective. For the last 4 or 5 years I begged this House for a resolution which would give the Committee on Immigration an opportunity to study the whole problem. Every time I presented such resolution there was great protest on this side of the aisle. The Committee on Immigration was refused the right to sit during the recess of the Congress. We wanted to determine the many problems that are now covered by the law. Some parts of the law should be repealed, and the whole law ought to be revised. At no time did we ever have this opportunity.

With what is the Secretary of Labor charged? We do not know whether these impeachment proceedings are instituted by the Dies committee or not. We do not know whether it is just the whim of an individual member. We may take it for granted, however, that the impeachment had its origin in the proceedings of the Dies committee.

I call your attention to the fact that in 1932, when my good and distinguished friend the gentleman from Texas [Mr. DIES] was a member of the Committee on Immigration and Naturalization, we reported from that committee a bill, the report on which the gentleman from Texas wrote, in which we included language that would take care of the cases of Strecker, Bridges, and other alleged Communists if they were really members of an organization engaged in an attempt to overthrow the Government by force or violence. The bill was reported by the committee, but never became a law. If it were law today, all this unnecessary noise and complication could not have existed. In that report (Rept. No. 1353, House Committee on Immigration and Naturalization, to accompany H. R. 12044, 72d Cong., 1st sess., dated May 17, 1932), which I shall be pleased to place in the RECORD, the gentleman from Texas pointed out that under the existing immigration laws membership in the Communist Party, as such, does not constitute grounds for exclusion or deportation of aliens. The law today remains the same as it was in 1932, yet the gentleman from Texas today asserts that the Secretary of Labor should order deportation of alien Communists merely because of their membership in the Communist Party. If the Secretary of Labor had no statutory authority to exclude or deport alien Communists, as such, in 1932, what possible authority can there be for doing so today? Certainly no authority can be found in recent court decisions, for the most significant judicial development has been the decision of the Circuit Court of Appeals for the Fifth Circuit in the Strecker case, confirming the position asserted by the gentleman from Texas in the 1932 report to the effect that mere membership in the Communist Party is not a deportable offense. In fact, the Secretary of Labor has gone further than the gentleman from Texas would have, because until the Strecker decision the Department of Labor, relying on earlier court decisions, took the position that Communist Party membership, as such, did constitute grounds for deportation, and accordingly ordered deportation of such aliens.

Mr. THORKEKELSON. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Not at this moment. Another case, which the impeachment resolution mentions, is the Pritchett case. Who is Pritchett? He has not been in the country as an immigrant. He was here merely on temporary visits. A Canadian does not have to have a visa to enter this country temporarily. Pritchett is president of an international union which has locals on both sides of the border. It is true that in 1937 Pritchett applied for a permanent visa, and informa-

tion was sent to the consulate in Vancouver, that he had been connected with a radical organization in Canada, and this caused the consul to deny him a permanent visa. But the 1917 act, which is our basic exclusion statute, draws a distinction between visitors and immigrants entering for permanent residence. Consequently, as long as he was maintaining an unrelinquished domicile in Canada, he was entitled to enter on legitimate business.

The position taken by the Dies committee, or by some members of that committee, and I still do not know who is really behind the impeachment charges, is that the Secretary of Labor has refused to deport Bridges. As I told you last week, I have no use for Bridges or his cousins. As a matter of fact, the Communist Party and its active workers have boycotted my home for months because I exposed the deportability of a group of people and the Secretary acted promptly after I had brought the matter to the attention of the Department, because we had the facts in those cases. I am not here to defend Bridges, but I am here to defend law and order and decency, and I am here to decry the abuse heaped by certain individuals on a Cabinet member. Why could they not wait until after specific recommendations were made by the committee? Why did not the committee bring in a report and give the Congress of the United States an opportunity to go to work and rid this country of un-American agitators?

I could have pointed out to the committee that there are thousands of spies in this country today, if they had wanted to find something really significant. Why did they not examine into and recommend the deportation of other agitators in this country? Why did they focus their whole attention on the Bridges case? Is there anyone here to answer that question?

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes; I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Bridges should not be deported. This alien British Communist, who has been destroying our merchant marine, which is as essential to our national defense as battleships, should be tried for treason and put before a firing squad.

Mr. DICKSTEIN. I have made my position very clear, that I am not here defending Bridges, and I am not here defending the Communist Party. I am of the same opinion as every Member of this House, that any form of "isms" has no business in this country and should be destroyed; but let us do it in an American way. Let us not attack unjustly and unfairly just because we happen to be members of a congressional committee with unlimited powers of publicity at our command.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Alabama.

Mr. PATRICK. I believe we all regret that a Member of our body should make the statement that someone should be put before a firing squad. I should like to ask if the gentleman will yield long enough so we can ask that gentleman if he would take the responsibility for seeing anybody put before a firing squad, or if he intends to commit this body to any such suggestion or idea.

Mr. DICKSTEIN. I think if we ask the gentleman, he will expunge his statement from the RECORD.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I believe with all my heart and soul that an alien British Communist who tries to destroy our American merchant marine, which is a part of our national defense, is guilty of treason and should be tried for treason and put before a firing squad.

Mr. THORKEKELSON. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Montana.

Mr. THORKEKELSON. The gentleman has spoken of Communists. Does the gentleman believe the Communist, as we

have heard of him and had him described as he exists in Russia, is an enemy of the United States?

Mr. DICKSTEIN. I do not have the time to go into that subject, which would require a long discussion and statement of opinions. I am confining my remarks to Communists as we know them and as we have heard about them and as we understand the term.

Mr. THORKEKELSON. Would the gentleman consider him our friend?

Mr. DICKSTEIN. I do not consider any Communist our friend or the exponent of any "isms" our friend.

Mr. THORKEKELSON. Then the gentleman would consider him an enemy?

Mr. DICKSTEIN. If he is not a friend, he must be an enemy.

Mr. THORKEKELSON. Then he is guilty of treason, which consists of levying war against the United States and giving aid and comfort to our enemies?

Mr. DICKSTEIN. Let us not get into a discussion of the treason statutes and other sections of the Criminal Code. Let us confine ourselves to the administration of the immigration laws—the issue raised here today.

Mr. SACKS. Mr. Speaker, will the gentleman yield for a question?

Mr. DICKSTEIN. Yes.

Mr. SACKS. I may inform the gentleman, in case he should like to have anyone put before a firing squad for treason, that both Bridges and the other gentlemen are not citizens, and therefore could not be tried for treason.

Mr. DICKSTEIN. I must refuse to yield further, Mr. Speaker.

In 1934 the McCormack committee not only made a much more difficult investigation in a shorter period of time than the Dies committee, but we brought in five recommendations for legislation. I believe several of the bills were reported out and passed. The Dies committee, with all due respect to its membership, has created a Frankenstein; it has everybody worried, everybody is scared, and everybody is getting letters to continue the committee. Yet we find nothing in its report in the nature of specific recommendations for Congress. They say, "Give us \$150,000 and let us carry on for another 2 years and we might find the Negro in the woodpile somewhere." In the meanwhile they are banging away at Bridges, and ignoring the fact that the basic legal question in this case is before the Supreme Court.

I would have no sympathy for the Secretary of Labor if she were not doing her best to enforce the law. She gets her advice from her counsel, just the same as every other administrative officer gets advice from his legal staff in every department or bureau of the Government, whether under a Democratic or a Republican administration.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. O'CONNOR. I read with considerable interest the articles that were filed here this morning laying the foundation for an attempted impeachment of Secretary Perkins. I could not find anything in them that would justify to my mind, as a lawyer, any consideration whatever. They were simply based upon conclusions that would be immediately thrown out of court and would not be admissible as evidence. The gentleman is thoroughly familiar with the Bridges case, and that is apparently all that these impeachment proceedings are based upon.

Mr. DICKSTEIN. That is right.

Mr. O'CONNOR. Does not the gentleman think the House should have followed the rule that I am informed the House followed when there was an attempt made to impeach or file impeachment charges against President Hoover?

Mr. DICKSTEIN. That is right.

Mr. O'CONNOR. Then a motion came from the Democratic side of the House to table such a resolution. Does not the gentleman think that this resolution, if it can be dignified by calling it that, should have been tabled this morning?

Mr. DICKSTEIN. I think the gentleman is correct in his contention. If that question had been put, I should have voted to table it.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield for a brief question.

Mr. MICHENER. I am surprised that the gentleman from Montana should criticize his leadership. The House went along following exactly the leadership of the majority and the evident desires of the majority in dealing with the matter.

Mr. DICKSTEIN. In other words, my good friend would have voted to table it if a motion of that kind had been made?

Mr. MICHENER. I did not say that.

Mr. DICKSTEIN. That is what the gentleman is implying.

Mr. MICHENER. What I intended to say was that I am surprised that the gentleman from Montana should find fault and criticize the leadership of the majority and say it was wrong in the way in which it handled this matter when the minority, helpless as it is, can only protest, but was willing to go along with the majority leadership in so serious a matter as an impeachment. We do not like the criticism.

Mr. O'CONNOR. If the gentleman will yield, my thought was, and still is, that these flimsy charges that were laid upon the Clerk's desk here this morning, as a courtesy to the Democratic Members of the House, a motion should have come from the Republican side of the House to lay the resolution, if it can be called that, upon the table.

Mr. MICHENER. In other words, the majority has not the courage to take the leadership and assume the responsibility. It wants something done, but is afraid to do it and asks the minority to have the courage to do it.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. SIROVICH. I say to my distinguished friend on the other side of the aisle, the gentleman from Michigan [Mr. MICHENER], that the House did exactly today what happened when one of our colleagues impeached the former distinguished Secretary of the Treasury, Mr. Mellon. After the impeachment proceedings were read, it was referred to the Committee on the Judiciary.

Mr. MICHENER. And also the Attorney General of the United States, Mr. Daugherty, when he was impeached by Mr. KELLER, on the gentleman's side of the aisle.

Mr. DICKSTEIN. Mr. Speaker, I decline to yield further. There is no question that this country is infested with all forms of un-Americanism, and while they were chasing Bridges, the Nazi Bund, the "black shirts," the "blue shirts," all the "dirty shirts" in this country were working overtime. The committee did not even subpoena one Nazi. They have not even subpoenaed one Communist. They simply gave Jones and Brown a chance to come before the committee and make certain loose charges that certain people were "reds." They discovered that Shirley Temple was a tool of Communists. They found that Cagney and Taylor had made some contributions to various causes. They revealed that James Roosevelt did not drop any money into the collection plate, for if he did he would surely have reported it to the income-tax collector. I want to be kind and helpful to the committee. I have been in the van of the fight to subdue subversive foreign elements for 4 years. I fought this question on the floor and was ridiculed by the very men who are now sitting on the Dies committee. The Dies committee never asked me for help.

I would have been glad to have given them files on un-American activities which would really have kept them busy and helped this country to remove a menace that lies within it like a cancer. We have today 32 Nazi camps. We have today chemical departments secretly financed by foreign government, in this country. We have the espionage systems placed here by foreign governments. But the Dies committee did not even take the trouble to find out or to inquire about these things. Its investigation was nothing but an attack on Democrats. It was an underhanded campaign against our own democracy. If the Dies committee wanted to discover actual facts it took me 5 years to check on, some of the un-American activities, I would have been glad to help them. Instead the committee has preferred to create a bogie, to discredit responsible officials of the State and Federal Govern-

ments and frighten the public with a report citing startling conclusions about something that does not exist at all. I would have been glad to show where the un-Americanism is. We have a Spanish situation where our young men are taken from here to Spain. We have a Nazi youth movement in this country where they have taken American children and are teaching them hate and intolerance. I could cite 140 organizations in the United States that preach intolerance. I read an article in one of their magazines to the effect that the Dies committee is not going to touch "our patriotic organizations." In other words, they consider themselves patriots. Some of these organizations are being financed from abroad. Yes; it is high time to have a house cleaning, but let us do it on the basis of fair play.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. O'CONNOR. The gentleman is very well informed upon the subject that I shall interrogate him about. What does the gentleman think about the propaganda going on in this country today to have this country stick its nose into the business of the civil war going on in Spain?

Mr. DICKSTEIN. I do not want to go into that. That is a question by itself which would lead to a long discussion.

Mr. O'CONNOR. Let me ask another question.

Mr. DICKSTEIN. I would not care to go into that at this moment. I decline to yield further.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield on a question of law?

Mr. DICKSTEIN. Yes.

Mr. HOFFMAN. The gentleman undoubtedly received this morning one of these notices I hold in my hand, and as one well informed, and I am asking for information, I have a question which I desire the gentleman to answer. This says that under section 1 certain aliens shall be excluded from the United States—and then goes on down and finally recites those who teach or believe in or advocate the unlawful destruction of property. Is that the law or not?

Mr. DICKSTEIN. I could not answer that, but I know where it comes from.

Mr. HOFFMAN. Is that provision in our law now?

Mr. DICKSTEIN. The 1918 act, from which that phrase is taken, is complex and ambiguous. As I said at the beginning of my talk, I have tried in vain to get the right from my committee to revise and revamp this statute so that we will understand what it means today. In the last 20 years all Congress has done is to amend it without striking anything out, and even the proverbial Philadelphia lawyer could not be sure of its meaning.

As I said, Mr. Speaker, the Dies committee has to a certain extent done a good job insofar as it started out to check on certain activities set in motion by foreign states. But the moment the committee allowed the door to be opened and let obviously partisan persons appear and encouraged them to make attacks on respected citizens in this country without giving those people an opportunity to contradict or refute their statements, it clearly proved that it had outlived its usefulness.

Yes. You need the committee. Let us go into communism, but let us go after the big Communists. Let us find out who the leaders are. Let us find out who is financing it, how strong it is in this country, how well it has penetrated throughout the country. Let us find out how the money is coming here. Let us get the big fish. Let us not attack people and destroy character and reputation. Let us find out who the Nazis are, and why they have so many camps in this country. Let us discover how many millions of dollars are coming here from Germany to support this subversive movement. Let us find out about this Spanish situation. Let us know something about the "black shirts" who have thousands of members in this country. Let us find out something about Anastasia Vonsiatsky's so-called group of White Russians who are here organized with other groups to use America as a base of operations to overthrow the Soviet Government. Let us not attack character and reputation.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. No; I cannot yield. I can almost supply the committee with that information, but apparently they do not want it.

I assume Mr. DIES is going to ask for a renewal of the investigation. I am not quarreling with Mr. DIES. He has a right to his opinion and I have a right to mine, but my opinion is based upon a 5-year investigation. I remember when I stood on this floor when I could not get a corporal's guard to agree with me. It took 4 years to convince the American people of un-American activities in this country. I did not ask for any credit. I did not get any medals. I am not asking for them. I had to appeal to the American Legion. It took me months to induce them to give me an endorsement for the investigation. I went to all the patriotic organizations and begged them to join me in this fight to clean up un-Americanism in this country. I am an American. God knows we have but few democracies left. We want to protect this United States democracy. We want to keep it as our forefathers gave it to us. So I say, do not get excited. You may or may not vote to renew that committee; but if you do, put some restrictions on it. Put some men on it interested in making a genuine investigation. I do not want another investigation which simply results in a fantastic impeachment—a blanket indictment against blanket things, an impeachment frivolous on its face, not based upon any evidence, as pointed out by my colleagues, but based upon stale and discredited reports, anonymous letters, statements, and charges, pro and con.

I am sure that when the Strecker case is decided by the United States Supreme Court this matter will be taken care of. There is only one question involved in the whole case. If an alien belongs to the Communist Party, does that constitute a violation of the law? If our law is defective, the Secretary of Labor as well as you are powerless.

If you want to straighten this question out, you have to give the committee of which I am chairman an opportunity to revise and revamp the whole law, so that we can put teeth in the deportation law. Last year we passed the Dies bill in this House. It was a very fine bill that would allow a handful of innocent people to remain permanently in the United States. At the same time it would deport 20,000 criminal aliens.

The SPEAKER. The time of the gentleman from New York has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. Mr. Speaker, I want to read a letter that I received from, I believe, one of the most ardent American Legion members in the State of Michigan. I believe he is one of the most ardent in this Nation.

DEAR FRANK: On Tuesday last the local Legion Post No. 5 passed a resolution urging that additional funds be allocated to the Dies Committee in order that the work of eradicating undesirable, un-American activities might be continued; further, that copies of the resolution be forwarded to the two Senators from this State also to the Congressman from this district.

I am taking the liberty of writing you for the purpose of stating my own opinion which I also feel is that of other members of our post and that of many of the citizens of our community.

Apparently the resolution passed by the post is being fostered and urged by the Legion National and State organization. When presenting it to the post the chairman of the Americanization committee conscientiously explained that he had not discussed the matter with the rest of his committee and suggested that perhaps it would be best to lay the resolution over to the next meeting. If this had been done there would have been an intelligent discussion on the matter and I believe a resolution passed urging the continuance of the work of suppressing and eradicating un-American activities, but leaving the question of the Dies committee entirely to Congress. As it was the resolution was passed with little if any discussion. I believe the real interest of the post is in Americanization work and not in the perpetuation nor the glorification of the Dies committee.

In common with the membership of our post and the vast majority of our local citizens I believe that Congress should make

every effort to suppress and eradicate all forms of "isms" from this country except Americanism.

Lincoln once said of the Declaration of Independence, "It is an ideal constantly looked to, constantly labored for, and though never perfectly attained, constantly approximated, and thereby constantly spreading and deepening its influence."

While we cannot attain perfection, Americans do wish to preserve the spirit of independence. It should not be sacrificed on the altar of prejudice, avarice, and hatred. Too often it appears that an investigation has become an inquisition of medieval standards whereby "the trial proceeds quickly, for the judges know the sentence beforehand," or, becomes like an octopus whose tentacles sap the blood of the good and bad alike.

Many are disappointed with the Dies committee, particularly with the conduct of its chairman. In the assumption that we are living in a democracy, is it too much to expect of investigating committees as essential dignity at least bordering on judicial impartiality and restraint? I think not. It seems to me to be the American way. But from press reports one would gather that Mr. DIES has written into his record every name from Shirley Temple to Charlie McCarthy, all of which reminds me of the story that relates:

Justice once met a caravan upon the way to Baghdad.

"Why," asked the chief, "must you hasten to Baghdad?"

"To take 5,000 evil lives," Justice replied.

The chief did not hinder Justice, for he knew of many evil men in the city.

However, upon the way back from the city Justice and the caravan met again. "You deceived me," the chief said angrily. "Instead of 5,000 lives, you took 50,000."

"Nay," said Justice, "5,000 and not one more. It was prejudice and hatred and incompetence who killed the rest, for they knew no restraint."

By all means continue the work of eradicating all un-American activities, but place the direction of such important work in the hands of those who will work to the end with judicial results that bear scrutiny by anyone and receive unbiased commendation from all.

[Here the gavel fell.]

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 25, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, January 25, 1939. Business to be considered: Hearing of H. R. 2531—transportation bill. Commissioner Splawn, of the Interstate Commerce Commission, is expected to be the first witness.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs in room 1310, New House Office Building, at 10:30 a. m., January 25, 1939, for the consideration of the President's message on national defense.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Naval Affairs Committee of the House of Representatives on Wednesday, January 25, 1939, at 10:30 o'clock for the purpose of considering H. R. 2880, "To authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," carrying out partially the recommendations of the Hepburn Report.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10 a. m. Wednesday, January 25, 1939.

COMMITTEE ON WAYS AND MEANS

Public hearings will begin Wednesday morning, February 1, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room of the New House Office Building, Washington, D. C.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

314. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1939 to remain available until June 30, 1940, amounting to \$10,000, for the Department of State (H. Doc. No. 127); to the Committee on Appropriations and ordered to be printed.

315. A letter from the Secretary of War, transmitting the draft of a proposed bill to authorize reimbursement of appropriations on account of expenditures in connection with disposition of old material, condemned stores, etc.; to the Committee on Expenditures in the Executive Departments.

316. A letter from the Secretary of War, transmitting the draft of a proposed bill to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the enlisted Reserve Corps of the Army, who are physically injured in the line of duty while performing active duty or engaged in authorized training; to the Committee on Military Affairs.

317. A letter from the Secretary of War, transmitting a supplemental statement in connection with a letter from the Secretary of War dated January 13, 1939, relative to medical care where the sickness was not in line of duty; to the Committee on Military Affairs.

318. A letter from the Securities and Exchange Commission, transmitting the Fourth Annual Report of the Securities and Exchange Commission for the fiscal year ended June 30, 1938; to the Committee on Interstate and Foreign Commerce.

319. A letter from the Acting Secretary of the Interior, transmitting the Annual Report of the Office of Education upon the affairs of Howard University for the fiscal year ending June 30, 1938; to the Committee on Education.

320. A letter from the Archivist of the United States, transmitting a list of papers consisting of 26 items from the Post Office Department and that Department having no objections to the destruction or effective disposition of these records under the authority of Congress, I recommend they be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

321. A letter from the Archivist of the United States, transmitting report of the Archivist of the United States submitting a list of papers consisting of 155 items from the Post Office Department which the Department has recommended to be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

322. A letter from the Archivist of the United States, transmitting a list of papers consisting of 514 items from the Navy Department which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

323. A letter from the Archivist of the United States, transmitting a list of papers consisting of 149 items from the Department of Commerce which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

324. A letter from the Archivist of the United States, transmitting a list of papers consisting of 145 items from the Department of Labor which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

325. A letter from the Archivist of the United States, transmitting a list of papers consisting of 12 items from the Federal Trade Commission which the agency has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

326. A letter from the Archivist of the United States, transmitting a list of papers consisting of nine items from the Works Progress Administration which that agency has recommended be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

327. A letter from the Archivist of the United States, transmitting a list of papers consisting of 11 items from the Farm Credit Administration which that agency has recommended be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 335) granting a pension to Walter Lloyd Hutcherson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 337) granting a pension to Louise Eberle; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 371) granting a pension to David A. Huckelberry; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 380) granting a pension to Harry Miller; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 432) granting a pension to Millard C. Helm; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 436) granting a pension to John P. Matthews; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 446) granting a pension to Addaline Collins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 447) granting an increase of pension to George Webb, Jr.; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 695) granting a pension to Millard C. Helm; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1712) granting a pension to J. E. Barrows; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 1730) granting a pension to Charles Lycans; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 1862) for the relief of Frank A. Adamus; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2115) for the relief of Catherine McLinden; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2243) granting a pension to C. R. McGill; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2365) granting a pension to Mary Harriet Hook; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H. R. 3111. A bill to amend the Social Security Act with respect to old-age assistance and aid to dependent children; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 3112. A bill to extend the classified civil service to the positions of charmen and charwomen and head charman and head charwoman in the Government service and to fix a new rate of pay for those positions; to the Committee on the Civil Service.

By Mr. PEARSON:

H. R. 3113. A bill to create United States Civil Service Board of Appeals; to the Committee on the Civil Service.

H. R. 3114. A bill to amend section 903 of the Revenue Act of 1936 and section 645 of title 7 of the Code of Laws of the United States and extending the time for filing claims for refund of amounts paid as tax under the Agricultural Adjustment Act; to the Committee on Ways and Means.

By Mr. BUCKLER of Minnesota:

H. R. 3115. A bill to extend the status of veterans of the World War to persons enlisted and serving on United States

Shipping Board vessels during the World War in war zones; to the Committee on Naval Affairs.

H. R. 3116. A bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes; to the Committee on Agriculture.

By Mr. BURDICK:

H. R. 3117. A bill providing for the optional cancelation of indebtedness against all homesteads in the United States; to the Committee on the Judiciary.

H. R. 3118. A bill to authorize a preliminary examination and survey of the Knife River and its tributaries in the State of North Dakota for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 3119. A bill to authorize a preliminary examination and survey of the Goose River and its tributaries in the State of North Dakota for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. CASE of South Dakota:

H. R. 3120. A bill making certain crimes the commission of which is facilitated by the interstate transportation of stolen motor vehicles punishable by death; to the Committee on the Judiciary.

By Mr. COFFEE of Washington:

H. R. 3121. A bill to create a National Natural Resources Corporation, and for other purposes; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 3122. A bill to extend the time for completing the construction of a bridge across the Columbia River near The Dalles, Oreg.; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBSEN:

H. R. 3123. A bill creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. MICHAEL J. KENNEDY:

H. R. 3124. A bill to provide for the payment of time and one-half for all overtime service performed in excess of 8 hours per day by certain employees in the United States Postal Service, and for other purposes; to the Committee on the Post Office and Post Roads.

H. R. 3125. A bill to provide for the appointment of substitute post-office clerks and substitute city letter carriers in first- and second-class post offices to the positions of junior clerks and junior letter carriers and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MAY:

H. R. 3126 (by request). A bill to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Twelfth Olympic Games; to the Committee on Military Affairs.

H. R. 3127 (by request). A bill to authorize the purchase of equipment and supplies for experimental and test purposes; to the Committee on Military Affairs.

H. R. 3128. A bill to authorize the loan of aircraft and aeronautical equipment to civilian aviation schools; to the Committee on Military Affairs.

H. R. 3129. A bill to promote the efficiency of the Air Corps; to the Committee on Military Affairs.

H. R. 3130. A bill to authorize appropriations for construction and rehabilitation at military posts in the Panama Canal Department, and for other purposes; to the Committee on Military Affairs.

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H. R. 3131 (by request). A bill to authorize the Secretary of War to convey certain lands owned by the United States for other lands needed in connection with the expansion of West Point Military Reservation, N. Y., and for other purposes; to the Committee on Military Affairs.

H. R. 3132 (by request). A bill to authorize the disposal of cemetery lots; to the Committee on Military Affairs.

H. R. 3133 (by request). A bill to authorize the procurement, without advertising, of certain aircraft parts and instruments or aeronautical accessories, and for other purposes; to the Committee on Military Affairs.

H. R. 3134 (by request). A bill to amend the act entitled "An act authorizing the temporary detail of United States employees possessing special qualifications to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938; to the Committee on Military Affairs.

By Mr. SECREST:

H. R. 3135. A bill imposing an excise tax with respect to the importation of certain earthenware and chinaware; to the Committee on Ways and Means.

By Mr. SWEENEY:

H. R. 3136. A bill for the relief of the postal employees; to the Committee on the Post Office and Post Roads.

By Mr. SPENCE:

H. R. 3137. A bill to authorize the erection of a hospital addition to the existing Veterans' Administration facility at Lexington, Ky.; to the Committee on World War Veterans' Legislation.

By Mr. WEST:

H. R. 3138. A bill authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande River at Baco Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. BATES of Massachusetts:

H. R. 3139. A bill to extend the time for filing claims for refund of amounts paid as tax under the Agricultural Adjustment Act; to the Committee on Ways and Means.

By Mr. COX:

H. R. 3140. A bill to amend section 603, title IV, of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. DIMOND:

H. R. 3141. A bill to extend the benefits of the United States Public Health Service to fishermen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CASE of South Dakota:

H. J. Res. 129. Joint resolution to limit reduction in acreage allotments for wheat to types of which there is no surplus; to the Committee on Agriculture.

By Mr. THOMAS of New Jersey:

H. Res. 67. Resolution for the impeachment of Frances Perkins, Secretary of Labor; to the Committee on the Judiciary.

By Mr. PACE:

H. Res. 68. Resolution to authorize investigation of market conditions of edible fats and oils; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Pennsylvania:

H. R. 3142. A bill for the relief of Leland G. Myers; to the Committee on Claims.

By Mr. ANGELL:

H. R. 3143. A bill granting a pension to Martha J. Poole; to the Committee on Invalid Pensions.

H. R. 3144. A bill granting a pension to Clara L. Landis; to the Committee on Invalid Pensions.

By Mr. BARRY:

H. R. 3145. A bill granting an increase of pension to Lena Margraf; to the Committee on Invalid Pensions.

By Mr. BURDICK:

H. R. 3146. A bill for the relief of William F. Kimball; to the Committee on Claims.

By Mr. BREWSTER:

H. R. 3147. A bill to place Herbert R. Crandall on the emergency officers' list; to the Committee on Military Affairs.

By Mr. BUCKLEY of New York:

H. R. 3148. A bill to record the lawful admission to the United States for permanent residence of Chaim Wakerman, known as Hyman Wakerman; to the Committee on Immigration and Naturalization.

By Mr. CASEY of Massachusetts:

H. R. 3149. A bill for the relief of Louis Altobelli; to the Committee on Claims.

By Mr. CHANDLER:

H. R. 3150. A bill for the relief of Claudia F. Banks and Edna B. Towner; to the Committee on Claims.

By Mr. CASE of South Dakota:

H. R. 3151. A bill for the relief of George Francis Grundy; to the Committee on Naval Affairs.

By Mr. CULKIN:

H. R. 3152. A bill granting an increase of pension to Ida A. Harter; to the Committee on Invalid Pensions.

By Mr. DISNEY:

H. R. 3153. A bill granting a pension to D. F. MacMartin; to the Committee on Pensions.

By Mr. FLANNERY:

H. R. 3154. A bill to provide for the appointment and retirement of Faustin E. Werkus, of the United States Marine Corps, who served as an officer in the Garde d'Haiti; to the Committee on Military Affairs.

By Mr. GUYER of Kansas:

H. R. 3155. A bill for the relief of Harry Hume Ainsworth; to the Committee on Military Affairs.

H. R. 3156. A bill for the relief of Anna E. Hurley; to the Committee on Claims.

By Mr. HALL:

H. R. 3157. A bill for the relief of Franklin Lopez, administrator of the goods, chattels, and credits which were of Alice C. Lopez, deceased; to the Committee on Claims.

By Mr. HOFFMAN:

H. R. 3158. A bill granting an increase of pension to Inez Clair Bandholtz; to the Committee on Pensions.

By Mr. MICHAEL J. KENNEDY:

H. R. 3159. A bill for the relief of the estate of Costas Demellis; to the Committee on Claims.

H. R. 3160. A bill for the relief of Romualdo Cossano; to the Committee on Immigration and Naturalization.

By Mr. KENNEDY of Maryland:

H. R. 3161 (by request). A bill for the relief of the estate and minor children of Dale W. and Gladys M. Guise, Sally C. Guise, and Martha G. and Arnold E. Orner; to the Committee on Claims.

By Mr. McLEOD:

H. R. 3162. A bill for the relief of Maurice Clifford; to the Committee on Naval Affairs.

H. R. 3163. A bill for the relief of Rose Bilaitis; to the Committee on Claims.

By Mr. JOHN L. McMILLAN:

H. R. 3164. A bill granting an increase of pension to David Traxler Kirby; to the Committee on Invalid Pensions.

By Mr. O'BRIEN:

H. R. 3165. A bill to authorize the cancelation of deportation proceedings in the case of George Joseph Poppovich; to the Committee on Immigration and Naturalization.

By Mr. PEARSON:

H. R. 3166. A bill for the relief of Elmer Eugene Derryberry; to the Committee on Claims.

H. R. 3167. A bill granting an increase of pension to Margaret B. Adair; to the Committee on Pensions.

H. R. 3168. A bill for the relief of Mrs. J. T. Simmons; to the Committee on Claims.

By Mr. ROMJUE:

H. R. 3169. A bill granting an increase of pension to Catharine Gillaspie; to the Committee on Invalid Pensions.

By Mr. RODGERS of Pennsylvania:

H. R. 3170. A bill granting a pension to Clara Dempsey; to the Committee on Invalid Pensions.

By Mr. CASEY of Massachusetts:

H. R. 3171. A bill for the relief of George L. Sheldon; to the Committee on Claims.

H. R. 3172. A bill for the relief of Fiske Warren; to the Committee on Claims.

By Mr. SCHUETZ:

H. R. 3173. A bill for the relief of Kathryn O. Sweeney, Mary Kay Sweeney, Nancy Lee Sweeney, and Alex H. Sweeney (collectively); to the Committee on Claims.

H. R. 3174. A bill for the relief of Morris Skolnik; to the Committee on Claims.

H. R. 3175. A bill for the relief of Robert Richard White; to the Committee on Naval Affairs.

H. R. 3176. A bill for the relief of Eugene J. Ruhnke; to the Committee on Naval Affairs.

H. R. 3177. A bill for the relief of John Klasek; to the Committee on Claims.

H. R. 3178. A bill for the relief of Walter C. Paplow; to the Committee on Naval Affairs.

H. R. 3179. A bill for the relief of Thomas J. Kruk; to the Committee on Military Affairs.

H. R. 3180. A bill for the relief of Carl L. Bernau; to the Committee on Military Affairs.

By Mr. SECCOMBE:

H. R. 3181. A bill granting a pension to Susan VanPelt; to the Committee on Invalid Pensions.

By Mr. SECREST:

H. R. 3182. A bill granting a pension to George G. Gongia; to the Committee on Pensions.

H. R. 3183. A bill granting a pension to William Frederick Kildow; to the Committee on Invalid Pensions.

H. R. 3184. A bill granting a pension to Mary V. Wells; to the Committee on Invalid Pensions.

H. R. 3185. A bill granting a pension to Margaret O. Hoffer; to the Committee on Invalid Pensions.

H. R. 3186. A bill granting a pension to Louisa J. Humphrey; to the Committee on Invalid Pensions.

H. R. 3187. A bill granting a pension to Maretta Anna Booher; to the Committee on Invalid Pensions.

H. R. 3188. A bill granting a pension to Marion Gregory; to the Committee on Invalid Pensions.

H. R. 3189. A bill granting a pension to Nancy Jane Miller; to the Committee on Invalid Pensions.

H. R. 3190. A bill granting a pension to Florence Bonnell; to the Committee on Invalid Pensions.

H. R. 3191. A bill granting a pension to Dorinda V. Smith; to the Committee on Invalid Pensions.

H. R. 3192. A bill granting a pension to Narcissa Walter; to the Committee on Invalid Pensions.

H. R. 3193. A bill granting a pension to Georgia Hupp Williams; to the Committee on Invalid Pensions.

H. R. 3194. A bill granting a pension to Orla T. Pletcher; to the Committee on Invalid Pensions.

H. R. 3195. A bill granting an increase of pension to Harriett Morris; to the Committee on Invalid Pensions.

H. R. 3196. A bill granting an increase of pension to Blanche S. Keyes; to the Committee on Invalid Pensions.

H. R. 3197. A bill granting an increase of pension to Charles L. Kent; to the Committee on Invalid Pensions.

H. R. 3198. A bill granting an increase of pension to Lydia J. Allard; to the Committee on Invalid Pensions.

By Mr. SHANNON:

H. R. 3199. A bill for the relief of Dory Cleo Arnold; to the Committee on Naval Affairs.

By Mr. SNYDER:

H. R. 3200. A bill granting an increase of pension to Catherine E. Hannen; to the Committee on Invalid Pensions.

H. R. 3201. A bill granting an increase of pension to Margaret C. Mills; to the Committee on Invalid Pensions.

H. R. 3202. A bill granting an increase of pension to Ellen Cora Smith; to the Committee on Invalid Pensions.

By Mr. SPARKMAN:

H. R. 3203. A bill granting an increase of pension to Rosalie Hood; to the Committee on Pensions.

By Mr. SUTPHIN:

H. R. 3204. A bill for the relief of Lizzie Berry; to the Committee on Claims.

By Mr. SWEENEY:

H. R. 3205. A bill for the relief of Frank Walker and his mother, Sarah Ann Walker; to the Committee on Immigration and Naturalization.

H. R. 3206. A bill for the relief of Wesley Winsor; to the Committee on Naval Affairs.

By Mr. VINSON of Georgia:

H. R. 3207. A bill granting a pension to Mrs. Carl Rainey; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

491. By Mr. BALL: Petition of certain citizens of Rockville, Conn., favoring our adherence to the general policy of neutrality as set forth in the act of August 31, 1935, and as amended by the act of May 1, 1937; to the Committee on Foreign Affairs.

492. By Mr. CULKIN: Petition of Oswego Council, No. 227, Knights of Columbus, Oswego, N. Y., favoring continuance of the Spanish Embargo Act; to the Committee on Foreign Affairs.

493. Also, petition of A. A. Henry and 30 others of Croghan, N. Y., urging the embargo on arms to Spain be maintained; to the Committee on Foreign Affairs.

494. Also, petition of the St. Joan of Arc's Holy Name Society, Jackson Heights, New York City, with a membership of 1,600 men, urging the Congress of the United States to continue its policy of strict neutrality and to prevent exportation of arms from this country; to the Committee on Foreign Affairs.

495. Also, petition of Gene Salesi and 28 other residents of Oswego, N. Y., urging the embargo on arms to Spain be maintained; to the Committee on Foreign Affairs.

496. Also, petition of Albert Stone and 28 other residents of Oswego, N. Y., urging the embargo on arms to Spain be maintained, and favoring the continuance of the Dies investigating committee; to the Committee on Foreign Affairs.

497. Also, petition of the Woman's Christian Temperance Union, Watertown, N. Y., Cora M. Van Voast, president, urging passage of legislation to stop the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

498. Also, petition of the Woman's Christian Temperance Union, Pulaski, N. Y., Nellie A. Hubbard, president, urging passage of legislation to stop advertising of alcoholic beverages in the press and over the radio; to the Committee on Interstate and Foreign Commerce.

499. By Mr. DEROUEN: Petition of the supreme board of directors of the Knights of Columbus regarding maintenance of so-called Spanish embargo and continued adherence by United States to its present neutrality policy; to the Committee on Foreign Affairs.

500. By Mr. THOMAS F. FORD: Petition of residents of the Fourteenth Congressional District of California requesting that the Seventy-sixth Congress enact the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

501. By Mr. JACOBSEN: Resolution of the Council of the City of Dubuque, Iowa, opposing Federal taxation of municipal revenues, bonds, and incomes of municipal employees; to the Committee on Ways and Means.

502. Also, resolution of the Council of the City of Davenport, Iowa, opposing Federal taxation of municipal revenues, bonds, and incomes of municipal employees; to the Committee on Ways and Means.

503. By Mr. KEOGH: Petition of the State of New York Department of Health, Albany, N. Y., favoring an appropriation

of \$5,000,000 for venereal-disease control; to the Committee on Appropriations.

504. Also, petition of the Railway Mail Association, New York City branch, favoring the President's recommendation of \$875,000,000 for Works Progress Administration; to the Committee on Appropriations.

505. By Mr. KRAMER: Resolution of the city of Los Angeles, relative to taxation of income from municipal bonds, etc.; to the Committee on Ways and Means.

506. By Mr. LAMBERTSON: Petition of Mrs. J. A. Bloomberg and 39 other members of the Women's Foreign Missionary Society of Wathena, Kans., urging Congress to vote against unnecessary warlike preparations; to the Committee on Foreign Affairs.

507. Also, petition of J. D. Hurley and 15 other Leavenworth, Kans., citizens urging Congress to adhere to the general policy of neutrality; to the Committee on Foreign Affairs.

508. Also, petition of Rev. Cosmas Schneider and 42 other citizens of Effingham, Kans., urging Congress to adhere to the general policy of neutrality; to the Committee on Foreign Affairs.

509. Also, petition of D. Lavery and 20 other citizens of Seneca, Kans., urging Congress to adhere to the general policy of neutrality; to the Committee on Foreign Affairs.

510. By Mr. LEAVY: Petition of Chelan County Pomona Grange and signed by L. J. Richardson and Addie Tedford, master and secretary, expressing appreciation for work done by the Farm Security Administration and especially the activities of this agency in connection with adjustment of farm debts, and urging that sufficient funds be allocated by Congress to permit expansion of the Farm Security Administration to a point where all fruit growers with satisfactory past records for credit and production may be financed; to the Committee on Agriculture.

511. By Mr. MARTIN of Illinois: Letter, in the nature of a petition, from Mrs. G. H. Greenfield, president of the Woodlawn League of Women Voters of Chicago, Ill., urging the raising of the embargo on arms to loyalist Spain; to the Committee on Foreign Affairs.

512. Also, letter, in the nature of a petition, from R. Dellekamp, secretary of the Thomas Mann Branch of the American League for Peace and Democracy of Chicago, Ill., urging the immediate lifting of the embargo on Spain; to the Committee on Foreign Affairs.

513. By Mr. MARTIN of Massachusetts: Petition of Catherine M. O'Connor and sundry residents of Massachusetts, urging adherence to the general policy of neutrality enunciated in the act of August 31, 1935, and to retain the further and corollary principle in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

514. By Mr. O'BRIEN: Petition of George K. Schwab and other citizens of Rochester, N. Y., urging retention on the statute books of the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

515. Also, petition of Emmett J. Schnepf and other citizens of Rochester, N. Y., urging retention on the statute books of the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

516. By Mr. PLUMLEY: Petition of 29 citizens of Morrisville, Vt., to stop, so far as possible by Federal law, the great advertising campaign for the sale of alcoholic beverages by press and radio; to the Committee on Ways and Means.

517. By Mr. POLK: Petition of the city of Portsmouth, Ohio, signed by Mayor Harold Clayton and by City Clerk Evangeline Justice, asking the United States Congress to provide funds to erect a flood wall for the protection of the city against devastating high waters of the Ohio and Scioto Rivers; to the Committee on Flood Control.

518. By Mr. SECCOMBE: Petition of the Right Reverend G. N. Habig, of Canton, Ohio, and sundry residents of Canton and vicinity, urging the Congress of the United States to adhere to the general policy of neutrality, as set forth in the act of August 31, 1935, and amended May 1, 1937; to the Committee on Foreign Affairs.

519. Also, petition of Rev. J. T. Ruffing, pastor, St. Louis Church, Louisville, Ohio, and other residents of Louisville and vicinity, urging the Congress to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended May 1, 1937; to the Committee on Foreign Affairs.

520. Also, petition of Rev. Anthony P. Boeff, St. Clement's Church, Navarre, Ohio, and other residents of Navarre, urging the Congress of the United States to adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

521. By Mr. SUTPHIN: Petition of the South Jersey Port Commission, requesting that Congress enact legislation which will grant exemptions in respect to vessels less than 200 gross registered tonnage from the requirements of Draft Convention No. 53; to the Committee on Merchant Marine and Fisheries.

522. By Mr. TREADWAY: Petition of hundreds of members of Holy Rosary Parish, Holyoke, Mass., urging that Congress retain on the statute books the act of May 1, 1937, so long as we shall adhere to the general policy of neutrality enunciated in the act of August 31, 1935; to the Committee on Foreign Affairs.

523. By the SPEAKER: Petition of Mr. and Mrs. Frank Schmidt and family, Neillsville, Wis., petitioning consideration of their petition with reference to neutrality; to the Committee on Foreign Affairs.

524. Also, petition of the Kansas City Brotherhood of Locomotive Engineers, Division 824, petitioning consideration of their resolution with reference to coin and issue money; to the Committee on Interstate and Foreign Commerce.

525. Also, petition of A. J. Willinger, D. D. Bishop, of Providence, R. I., and others, petitioning consideration of their petition with reference to neutrality; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, JANUARY 25, 1939

(Legislative day of Tuesday, January 17, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, January 24, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and, in order to secure one, I ask that the roll be called.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Guffey	Lodge
Andrews	Clark, Idaho	Gurney	Logan
Ashurst	Clark, Mo.	Hale	Lucas
Austin	Connally	Harrison	Lundeen
Bailey	Danaher	Hatch	McCarran
Bankhead	Davis	Hayden	McKellar
Barbour	Donahey	Herring	McNary
Barkley	Downey	Hill	Maloney
Bilbo	Ellender	Holman	Mead
Bone	Frazier	Holt	Miller
Borah	George	Hughes	Minton
Bulow	Gerry	Johnson, Calif.	Murray
Burke	Gibson	Johnson, Colo.	Neely
Byrd	Gillette	La Follette	Norris
Byrnes	Glass	Lee	Nye
Capper	Green	Lewis	O'Mahoney

Overton	Schwartz	Taft	Wagner
Pepper	Schwellenbach	Thomas, Okla.	Walsh
Pittman	Sheppard	Thomas, Utah	Wheeler
Radcliffe	Shipstead	Tobey	White
Reed	Smathers	Townsend	Wiley
Reynolds	Smith	Tydings	
Russell	Stewart	Van Nuys	

Mr. LEWIS. I announce that the Senator from Utah [Mr. King] is detained from the Senate because of illness.

The Senator from Michigan [Mr. Brown], the Senator from New Mexico [Mr. Chavez], and the Senator from Missouri [Mr. Truman] are detained on important public business.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

NON-FEDERAL APPLICATIONS PENDING IN PUBLIC WORKS ADMINISTRATION (S. DOC. 25)

The VICE PRESIDENT laid before the Senate a letter from the Federal Emergency Administrator of Public Works, transmitting, in response to Senate Resolution 61 (agreed to January 17, 1939), a list of non-Federal applications pending in the Federal Emergency Administration of Public Works as of January 18, 1939, which, with the accompanying list, was referred to the Committee on Appropriations, and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Division No. 824, Brotherhood of Locomotive Engineers, of Kansas City, Mo., protesting against the enactment of legislation to regulate the mileage of train service employees, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a petition of sundry citizens of New Orleans, La., praying for retention of the principle of the present neutrality law and extension of the law to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Hellenic-American Loyal Club, Inc., of New York City, favoring continuation of the Special Committee to Investigate Un-American Activities (House of Representatives), which was referred to the Committee on the Judiciary.

Mr. TYDINGS presented a petition of sundry citizens of Frederick, Md., praying for the enactment of general welfare legislation providing old-age assistance, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of the State of Maryland, praying for retention of the principle of the present neutrality law and extension of the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

He also presented memorials of the faculty and students of Calvert Hall College, the Rieger Club of St. Wenceslaus Parish, and students of the Institute of Notre Dame, all of Baltimore, and also of sundry citizens, all in the State of Maryland, remonstrating against lifting the embargo on the shipment of arms and munitions to Spain, which were referred to the Committee on Foreign Relations.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 966. A bill to extend the period of restrictions on lands of the Quapaw Indians, Oklahoma, and for other purposes; and

S. 967 (by request). A bill for the benefit of the Omaha and Winnebago Indians of Nebraska; to the Committee on Indian Affairs.

S. 968. A bill to amend the Railroad Retirement Act of 1937; and

S. 969. A bill to amend the Railroad Retirement Act of 1937; to the Committee on Interstate Commerce.

S. 970. A bill for the relief of G. M. Weems (with an accompanying paper);

S. 971. A bill for the relief of O. L. Bates (with an accompanying paper);